

CHANGING AGRARIAN STRUCTURE AND RELATIONS

Study of a Village in Guntur District 1950-1991

A THESIS

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Introduction

The main purpose of the study is to understand the nature of changes in agrarian structure and relations in the context of growing commercialisation, capitalist tendencies and increasing state intervention in agriculture. The study is based on a micro level study of a village, namely Palaparru, situated in the dry cotton growing region of Guntur district, Andhra Pradesh over a period of forty years from 1950-91.

The village Palaparru witnessed significant changes in the socio-economic and political life of the people in general and agrarian structure and relations in particular during 1950-91. These changes are located in the wider context of the development policies and programmes introduced by the state after independence. These interventions are to be seen as part of the overall strategy of the Indian state to reshape Indian society its culture, economy, polity and institutions. While the economy was guided through centralised planning under the theoretical framework of 'mixed economy', the politics were conducted within the liberal democratic framework as provided by the Constitution of India.

In the context of agrarian structure and relations these include development interventions aiming at equity and

distributive justice. Thus the land reform policies¹ including abolition of intermediaries, tenancy reforms, land ceiling acts, distribution of waste land to the poor, a variety of anti-poverty measures² including the policies aiming at generation of employment in the rural areas, creation of assets for the poor through the subsidised credit, distribution of essential commodities through public distribution system and so on. In addition the state introduced policies to increase productivity of land. Thus the irrigation development programmes through constructions of wells, tanks, canals and major and minor irrigation projects, the introduction of new agricultural technology (popularly known as the "green revolution") in the form of H.Y.V. (High Yielding Variety) seeds, chemical fertilizers, pesticides etc., expansion of institutional credit facilities, crop marketing facilities, and price support policies, expansion of transport and communication facilities and so on.

1 As part of an overall strategy to bring about changes in the agrarian structure a number of institutional changes were introduced through legislations by the union and state governments in the 1950s and 60s. In Andhra Pradesh these include, the Estates Abolition Act, 1948; Andhra Tenancy Act, 1956; Hyderabad Tenancy and Agricultural Act, 1950; Andhra Pradesh Land Reform (ceiling on holdings) Acts, 1961 and 1973 etc.

2 Since independence both the union and state governments have introduced a number of anti-poverty measures to help the rural poor. Union government policies include, the Community Development Programmes of the early 1950s (C.D.S), the Small and Marginal Farmers Development Programmes of the early 1970s (S.F.D.A and H.F.D.A) which were latter brought under a common programme called the Integrated Rural Development Programme (I.R.D.P) in 1978. In addition to the I.R.D.P. the union government also introduced a new programme called Jawahar Rojgar Yojana (J.R.Y) aimed at creation of additional employment in the rural areas. In addition to these policies of the union government, the government of A.P also introduced a number of special programmes such as the Subsidy Rice Scheme and Old Age Pensions Scheme.

The introduction of universal franchise, elections to panchayatraj, state legislatures and the parliament have generated an awareness and exposed the electorate to a wide variety of propaganda campaigns. In the process of their votes being sought, they have been repeatedly exposed to the phenomena of electoral politics, varied political parties, public campaigns, speeches, demonstrations, processions, competition for electoral base among different groups and the consequent wooing of electorate and so on. In sum the nuances of the electoral politics gave importance to the voter as a subject. These changes brought new social groups (which were hitherto denied a place) into mainstream of politics giving them a new status and identity. This is historically an entirely new experience for these groups.

The village Palaparru which was integrated into the nexus of commercialised market and agriculture even during the colonial times has been affected by the above developments. More specifically, the policy of green revolution in the late sixties made a significant impact on the nature of production and exchange relations. The introduction of cotton crop in the late sixties deepened the commodity relations and brought the village economy increasingly closer to the wider market nexuses. The expansion of transport and modern communication facilities furthered this process. The net result of these changes is the integration of the village into wider market and political processes. Keeping in view all the developments that have occurred in the village society the present study focuses only on the nature of changes in

agrarian structure and relations.³

The contemporary debates on the nature of change in agrarian structure and relations in post-independent India is centered around the following questions. Has the green revolution made any significant impact on the agrarian social structure and brought about qualitative changes in production and exchange relations?. Does it lead to the differentiation or polarisation of the peasantry⁴ or to the creation of a large body of market oriented

3 Agrarian structure is seen as a net work of relations among different groups of people who are dependent upon land. It is the sum total of the ways in which each group operates in relation to other groups in the process of production and exchange (Throner, D. 1957).

⁴ The term 'peasant' is not used in this study in a traditional sense. This term has traditionally been used in the literature with reference to cultivators who subsist on their own produce, and whose production depends mainly on their own family labour. A classic example of this kind of definition is found in Shanin's (1972) famous work, 'The Awkward Class'. He defined the peasantry in the following way 'The peasantry consists of small agricultural producers who, with the help of small equipment and the labour of their families, produce mainly for their own consumption and for the fulfillment of obligations to the holders of political and economic power (Shanin, 1972; p.204). This type of definition might be better suited to characterise the small scale agricultural producers as peasants in the study area in the pre green revolution period (before 1960s) but is inappropriate if used to characterise them in the post green revolution period. With the development of commercialisation and capitalist tendencies the character of peasantry has changed in the study area. They are now actively involved in product, credit and labour markets in varying degrees. The subsistence production which is one of the important characteristics of the peasantry, in the pre green revolution period is no more a feature of present day small scale agricultural producers in the study area. In spite of the spread of market forces and the changing orientation of the peasants in the study area, they continue to have their social and historical roots in a tradition that has persisted for hundreds of years. Moreover, there has not been any change in the form and unit of organization of production i.e. family labour based production which is considered to be the central characteristic feature of peasantry (Shanin, 1987; p 5). Therefore, the present study continued to use the term peasant to characterise small

farmers?. What is the role of state in agrarian social transformation? What is the relationship between capitalism and peasantry? Two different theoretical perspectives i.e., Marxist and Neo-Populist, offer a range of insights into the above questions. The Marxist scholarship in this regard is heavily influenced by the writings of Lenin and Kautsky, Neo-Populist tradition has its origins in the writings of Chayanov.

The common theme among Marxist scholars who follow the views of Lenin was that, the introduction of green revolution in India has strengthened the commodity production and capitalist tendencies in agriculture which resulted in a process of depeasantisation and proletarianisation (Pearse, 1980; Patnaik, 1987; Byres, 1981; Griffin, 1974 etc). On the other hand those who agree with the views of Kautsky recognised the growing tendencies of capitalist development in agriculture but argued that this has not resulted in depeasantisation or polarisation of classes (Harriss, J. 1982 & 1987; Banaji, 1976; Athreya et al, 1990; etc). In contrast to the Marxist views the Neo-Populists argued that the introduction of green revolution in India has not contributed to the growth of capitalism in agriculture in any significant way and hence there has not been any trend towards the formation of capitalist classes with the process of disintegration or polarisation of the peasant classes (Attwood, 1979; Cain, 1981; Reddy, K.V 1985 etc).

scale agricultural producers for both pre and post green revolution periods.

In the light of the above discussion, the present study examines the nature of changes in the agrarian class structure and relations in Palaparru. To understand the changes in the agrarian class structure and mobility it examines the retrospective data on changes in the pattern of land ownership and labour use practices among 76 sample households. The changes in agrarian relations are examined using the data on changes in labour and employer relations, credit and tenancy relations.

The study is divided into seven chapters. Chapter one presents a review of contemporary theoretical debates between Marxists and Neo-populists on the question of relationship between capitalism and peasantry with special focus on South India. It also discusses the methodology adopted in the present study. Chapter two deals with the historical development of agrarian structure and relations in the study area. It also provides broad description of the life and economy of village under study. Chapter three examines changes in agrarian class structure and class mobility analysing the data on land ownership, and labour use mobility of the sample households between 1950 and 1991 and factors governing the mobility. Chapter four deals with the nature of changes in labour and employer relations. It specifically focuses on the changes in forms of labour arrangements and examines various factors which contributed to these changes. Chapter five discusses the changes in credit market relations. It examines the role of formal and informal

credit in reproducing small scale peasant production. Chapter six deals with the nature of changes that have taken place in tenancy relations. Chapter seven presents a summary of the broad trends and observations of the study and attempts to locate them in the broad theoretical perspectives discussed in the second chapter.

CHAPTER 1

Agrarian Change: The Dominant Themes

The present chapter is divided into two sections. Section one (1.1) presents a brief review of the contemporary theoretical and methodological debates on the nature of agrarian change in the context of developing capitalism in Indian agriculture with a special reference to South India. Section two (1.2) explains the methodology adopted in the present study.

1.1. AGRARIAN CHANGE: MARXIST VS NEO-POPULIST DEBATE

The contemporary debate on the nature of change in agrarian social structure and relations in post-independent India revolves around two broad different perspectives viz, Marxist and Neo-Populist, which have their roots in the classical writings of Lenin, Kautsky and Chayanov on the question of differentiation of peasantry. The followers of the ideas of Lenin and Kautsky are labelled as Marxists and those who acknowledge the writings of Chayanov as Neo-Populists.¹

1.1.1 Classical debate: Lenin, Kautsky and Chayanov

The question whether the differentiation was occurring amongst peasantry was at the heart of theoretical and policy debates in Russia around the turn of this century.² Following

1 For a detailed discussion on the contemporary debates on the nature of change in the agrarian class structure in the post independent India see da Corta (1992), Harriss, J.(1992), Thorner, A.(1981) etc.

² During the late 19th and early 20th century there had been an interesting debate among Russian scholars and political activists on agrarian question. The debate was centered around the question of relationship between capitalism and the peasantry. Regarding

Marx's ideas, Lenin challenged the views of the Russian Populists and Neo-Populists who argued that the peasantry is more or less homogeneous and capitalism was not an inevitable process for the development of socialist agriculture in Russia. In his book *Development of Capitalism, in Russia* written in 1899, he argued that the available evidence did in fact demonstrate that capitalism as a general mode of production has already penetrated into the Russian countryside and a process of 'depeasantisation' or 'differentiation' was taking place leading to division of peasantry into two classes viz. , agrarian bourgeoisie and proletariat.³ Thus he stated:

this debate in Russia, Terry Cox writes:

Few other peasantries have attracted so much interest from the intelligentsia of their society, and few have approached the study of peasantry with rigour and scientific outlook of the Russian Intelligentsia (Cox, 1986, p.33).

The context for the development of this debate was an ideological debate between Marxist and Populists concerning the best way to resolve the agrarian question in Russia. Marxists argued that capitalism was already developing in Russian agriculture and would progressively undermine peasant society by bringing out differentiation of peasantry into separate classes of capitalism i.e., agrarian bourgeoisie and proletariat. Populists on the other hand contended that capitalism had not substantially affected Russian agriculture and that peasantry remained relatively homogeneous in economic terms. They did not call for revolution but rather to draw the peasantry into socialist development based on existing communal practices. For detail discussion on the theoretical perspectives and methodological debate between Russian Marxists and Neo-Populists see Cox (1986), Shanin (1972), Rahman (1986), da Corta (1992) etc.

³ Lenin uses the concepts 'differentiation' and 'depeasantisation' to explain the process of socio-economic change among the Russian peasantry in the late 19th century. On the basis of an exhaustive analysis of the evidence available for Russia he concluded:

The system of socio-economic relations existing among the peasantry. . . shows us the presence of all those

the old peasantry is not only 'differentiating', it is being completely dissolved, it is ceasing to exist, it is being ousted by absolutely new types of rural inhabitants-types that are the basis of a society in which commodity economy and capitalist production prevail. These types are the rural bourgeoisie and the rural proletariat - a class of commodity producers and a class of agricultural wage workers (Lenin, 1974, p.177).

Lenin used the concept of 'differentiation' in a specific way. For him it referred not just to inequality in land holding, but to the process of formation of two essential classes of capitalism. The economic factors (market forces), according to him are primary determinants of socio-economic change among the peasantry.

In contrast to Lenin's thesis, Chayanov in his work Theory of Peasant Economy argued that Russian rural economy was best characterized as a 'peasant economy' operating according to its own laws of development rather than the logic of capitalism.⁴ His peasant economy was characterized by farming households which

contradictions which are inherent in every commodity economy and every order of capitalism: competition, the struggle for economic independence, the grabbing of land (purchasable and rentable), the concentration of production in the hands of a minority, the forcing of the majority into the ranks of the proletariat, their exploitation by a minority through the medium of merchants' capital and the hiring of farm labourers. The sum total of all the economic contradictions amongst the peasantry constitutes what we call the differentiation of the peasantry. The peasants themselves very aptly and strikingly characterise this process with the term 'depeasantising' (Lenin 1974, p.172)

4

A.V. Chayanov has published his works in Russian language in 1925. His works are translated into English by Thorner D. et al in 1966 (A.V.Chayanov, 1966, The Theory of Peasant Economy, D.Thorner, R.E.F.Smith and B.Kerblay (eds)).

depended on their own family labour and produced primarily for subsistence needs. The central causal mechanism of social change of Chayanov's peasant economy was about the changes in life cycle of the family. Chayanov claimed that the inequalities in the area sown and the incomes among the Russian peasantry were not socially determined but could be explained in terms of variations in consumer worker ratio of farm households. As consumer worker ratios changed over the life cycle of farming households, a dynamic process called 'demographic differentiation' or 'cyclical mobility' took place. This cyclical pattern of mobility among all households was stable and was reproduced generation after generation. There was no process of class differentiation and class formation that took place as argued by Lenin. Chayanov's argument implied that no peasant family could ever obtain a permanent position of superiority over others though it might do so temporarily.⁶

On the other hand Karl Kautsky (1899) in his analysis of agrarian situation in Germany in the late 19th century argued that the development of capitalism in agriculture did not necessarily require the dissolution of small scale peasant production with a process of depeasantisation.⁶ His analysis suggested that

5

For detailed discussion on Chayanov's views on Russian peasant household see Ellis (1988).

6

Kautsky's *Die Agrarfrage* (translated as *Agrarian question*) was published in 1899. Some extracts were published in English in Banaji (1976).

capitalism could develop without immediate land polarization and dissolution of small scale peasant production, because cultivation based on family labour was an efficient way of decreasing costs to capitalists. The small scale peasant production is functional to the capital and reproduces itself because it serves the interests of the capital. It is thus linked to the capitalism in such a way that its autonomy is completely undermined (Djurfeldt, 1982).⁷

1.1.2 Contemporary debate in India

The broad theoretical perspectives of Chayanov, Lenin and Kautsky had strong influence on the contemporary debate on, the question of differentiation of the peasantry in India. Several new issues have also been raised and tried to expand the insights made in the classical works to make them more relevant to the present day Indian context.

Contemporary Marxist writings

A number of scholars (Patnaik, 1987; Byres, 1981; Griffin, 1974; Pearse, 1980 etc,) who have examined the changes in agrarian social structure in the post independent India have argued that Leninist model of class differentiation or polarization is occurring in Indian country side. They have claimed that the income and asset inequalities among peasant households have reflected class differentiation. The class differentiation was

⁷

For detailed discussion on Kautsky's views on the relationship between capital and peasantry see Djurfeldt (1982), Harriss (1987), Banaji (1976) and Alavi (1987).

actually occurring although this process may not have been proceeding as quickly as was expected (Byres, 1981). The studies of Griffin, Pearce and Byres in particular have argued that the introduction of green revolution in India strengthened the commodity relations, encouraged capitalist tendencies which led to an increase in the economic disparities among the peasantry. They have anticipated that the green revolution would ultimately lead to the differentiation of 'peasant producers', where this term is used not simply in the descriptive sense of 'greater socio-economic differentiation between people' but rather to refer to the process of formation of classes (Harriss, 1987, p.232). The labour market is seen by the scholars as a vehicle for the surplus extraction.

In contrast to Leninist model of class differentiation or polarization, some of the Marxist scholars (Banaji, 1977; Harriss, 1982 & 1987; Athreya et al, 1990; Alavi, 1987) who acknowledge the views of Kautsky on 'agrarian question' have observed that the growth of capitalism in Indian agriculture has not led to the 'depeasantisation' and tried to explain the reasons.

There is some theoretical disagreement among those who follow Kautsky with regard to the reasons for the persistence of small scale peasant production. Some argue more closely in favour of Kautskian stating that small holder production is 'functional* to capital because it reduces costs for capitalists, mainly through the self exploitation of family labour (Banaji, 1977; Alavi,

1987)). This group draws on Marx's distinction between 'formal' subsumption of labour under capital (separation of producer from land) and real subsumption. Capital is seen to undermine the independence of peasants since petty commodity production depend upon advances of working capital to begin cultivation and lenders may determine the process of production. Small landholders are transformed into disguise wage labourers who are 'formally' subsumed under capital, because after they repay cash loaned to capitalists what remains is their labour alone. Surplus value is generated by paying the peasant producer a price for its product equivalent to its necessary labour time or subsistence. Hence such surplus value appropriation should be analysed at the level of production rather than exchange.⁸

This argument is contended by John Harriss (1982a & 1987) who has conducted a detailed study on the relationship between capitalism and small scale peasant production in North Arcot district of Tamil Nadu. He argued that though the reproduction of small scale peasant production is linked to the capital advanced by the merchants and money lenders and its increasing relations

8

Alavi (1987) argues that it is inadequate to conceptualise capital and peasant relations at the level of exchange. He states:

... for it is a misconception that it is merchants' capital alone and by itself that exploits the peasant. The mediation of merchants capital, which directly confronts the peasant, is only moment in the operation of the capital as a whole, which exploits the peasant as a totality. ... capital as whole appropriates 'surplus value' extracted from the peasant in the form of unpaid part of his labour as embodied in his commodity (Alavi, 1987 pp.193-4).

with the state, it retains a certain degree of autonomy or independence in the production process through the ownership of the means of production. The relations with the merchants and money lenders should be better understood at the level of exchange relations. He disagreed with the functional arguments and further suggests that exchange relations can prevent the full development of capitalist classes because the profitability of usury and speculative trading locks up a large amount of money and diverts it from productive uses.

Translation of theory into empirical methods

Though at a theoretical level there has been a lively debate among Marxists concerning the impact of capital on agrarian structure, there are few rigorous Marxist empirical studies (da Corta 1992). Till recently most of the empirical studies of Marxists in India applied indirect indices of wealth based categories (income, land holding size etc.) to distinguish classes among the peasantry. Since late 70s the main discussion among the Marxists scholars in India has shifted from an abstract theoretical debate to an operational debate, where the focus is to 'push closer from the conceptual to the empirical analysis' (Shanin, 1960, p.100). An attempt is made by these scholars to develop direct empirical indices to identify the classes among the peasantry and to study the class relations among them.

The empirical studies of Leninists in recent years draw on classification schemes designed by Roemer (1982) or Patnaik (1976)

which seek to operationalise ideas on the Marxist theory of labour value. Roemer's classification schema identifies five agrarian classes on the basis of how individuals relate to the hiring and selling of labour power and self employment. Patnaik's classification schema identifies the agrarian classes on the basis of 'labour exploitation criterion' which is developed by her. The labour exploitation criterion (E criterion) classifies households in terms of labour exploitation ratio defined as total use of outside labour divided by family labour days. On the basis of E criterion she identifies six agrarian classes. In statistical terms her schema improves up on Roemer's by replacing a measurement at the level of categories with ratio which produces continuous variables (da Corta, 1992).

The studies which have applied Roemer's or Patnaik's criterion (Bardhan, 1984; Khan, 1983; Patnalk, 1987; da Corta and Olson 1990) generally find a small section of capitalist and rich farmer classes who are primarily dependent on wage labour and a large section of agriculture labour class. It has been assumed that households in these polar classes emerged from those in the middle category which is comparatively smaller. This assumption usually has given rise to the conclusion that Leninist model of differentiation or polarization is occurring among the peasantry.

The studies of Kautskian's on the other hand suggested that it is important to incorporate exploitation at the level of exchange relations into classification schema in order to

represent class differences in South India properly. They (Athreya et al., 1990) argued that a household, which hires labour for its cultivation and exploits the wage labour, might get in turn exploited by the traders and moneylenders who advance loans and control its production process indirectly. Using labour exploitation criterion this household might be classified as one belonging to exploiter class but in reality it does not possess any surplus because whatever surplus it gets through by exploiting the wage labour in turn is taken away by the merchants and moneylenders.

To measure exploitation at exchange level Athreya et al (1990) have developed an empirical index called 'surplus criterion'. The net surplus income of the household is estimated by deducting all the payments from income from marketing farm produce. These payments include the grain deficit, cash costs for production, cash needs for non-agrarian consumption, wage equivalent of family labour days and payments to merchants and moneylenders to clear the loans. The remainder is the physical surplus available to the household for investment.

The class differentiation studies of Athreya et al., 1990 and J.Harriss (1982a) are based on Kautskian indices. These studies found a significant proportion of the class of middle level cultivating households in contrast to the Leninist studies.

Contemporary Neo-Populists

In contrast to Marxists the contemporary Neo-Populists in India have taken the persistence of peasantry as evidence that family based peasant production is not determined by the laws of capitalist mode of production. Some of these scholars have argued that a separate peasant or family mode of production, distinct from the capitalist one, thrives in rural India (eg. Lipton, 1989). However, a much larger group of scholars have argued that a peasant or family mode of production does not exist but nevertheless contend that peasant production possesses internal logic which permits it to resist the pressures of capitalist production relations. These scholars (Cain, 1981; Attwood, 1979; Harriss, 1985; etc.) identified levelling factors which are part of this internal logic working in opposition to peasant disintegration.

The levelling factors identified by different Neo-Populist writers were summarised by da Corta (1992) as follows: a) the higher productivity of small farms compared to larger ones, primarily because of their capacity to intensify and self exploit their family labour; b) the greater stability brought about by their ability to survive without profits as long as subsistence is met;⁹ c) the levelling effects of family life cycle especially the partitioning of large farms at inheritance and population growth;

⁹ For example, see the results of Farm Management Surveys carried out in the 1950s and for the discussion on these results, see Harriss (1982a, pp.152-54).

d) State intervention through various public policies which aimed at helping the small and poor peasants (Cain, 1981; Harriss, 1991)

Most of the empirical studies of Neo-Populists have used land holding size as an index of household's economic position and classified peasant household accordingly into different economic categories. Using land based categories they have tried to examine whether the impact of markets on agriculture in rural India results in land polarization or land levelling and to a lesser extent, if 'multidirectional mobility' and 'cyclical mobility'¹⁰ inhibit class consolidation. To address these issues they have employed 'household mobility' or 'dynamic study method' which was originally developed by Russian Neo-Populists in the late 19th century. Household mobility or dynamic study is a method which examines social change as process. It traces the changes in the position of a household over a period of time by conducting repeat surveys. This method unlike most survey methods, do not simply record the extent of inequality at a given point in time, but attempt to follow through with a further survey of the same sample some years later to find out what changes had taken place in the position of each household (Cox, 1986, p.39). The data which compares economic position of a household at one

¹⁰ On the basis of his analysis of Russian dynamic studies Shanin (1972) argues that the mobility of peasant households is multidirectional in character created by the opposing polarizing and levelling movements of individual households. One special form of multidirectional mobility is cyclical mobility in which each household changes its position over the course of its demographic life cycle. (Shanin, 1972, pp.72 & 241).

period time with the position at different point of time are often summarised in transition matrices. Such matrices are used to examine a) upward or downward mobility of households b) multidirectional or cyclical mobility c) pattern of polarization (measured as an enlargement of the two polar groups) or of levelling (a rise in middle groups). The household mobility studies of Cain (1981), Harriss (1991), and Attwood (1979) who have recently examined the changes in land ownership patterns in South India have all reported a trend of decline in the inequality of land ownership in their analysis. They have 'observed a tendency of small landowners to gain land over time and the larger ones to lose it. The studies of Cain and Attwood have used landholding size as an index to classify the peasant household into different economic categories. It was generally assumed that the size of landholdings reflect the total household wealth. The declining trend in the land inequality is taken as an evidence to argue that the Leninist model of differentiation or polarization is infact not taking place in South India. The levelling trend is attributed to the factors such as government redistributive policies (Cain, 1981) demographic factors such as family partition, population growth etc. (Attwood, 1979; Harriss, 1991) and increasing employment opportunities in agriculture and off-farm activities (Harriss, 1991).

To sum up, the classical debate between Neo-Popullst and Marxists have contributed to an understanding of two important processes of socio-economic change among the peasantry-viz.

demographic factors internal to the households and economic influences which moulded external relations between households. While the Neo-Populist have given primary importance to the demographic factors, the Marxists have emphasised the economic factors to understand the process of change among the peasantry. Although the broad theoretical perspectives and research methods of early Marxists and Neo-Populists are by themselves influential, the contemporary debates on the question of differentiation of peasantry in India have added several new issues and tried to expand the insights made in the classical works of Lenin, Kautsky and Chayanov. Contemporary Marxist studies have extended Lenin and Kautskian ideas by focusing analysis on the relations between petty commodity production with capitalism. On the other hand contemporary Neo-Populists broadened Chayanovian views by arguing that factors other than demographic could also account for levelling trends. Thus contemporary debates have been mainly influenced by two facts, first that the growing recognition of the fact that in much of the third world and in Europe the class differentiation of the peasantry has not occurred as extensively as orthodox Marxists would have predicted, and second that there has been an expansion in commodity production which was unanticipated by orthodox Chayanovians (Harriss 1982b).

Contemporary Marxists explain 'persistence of peasant phenomenon' in two ways. While some understand this in terms of survival of pre-capitalist forms of exploitation, the others see that, though small holder production continues, it is determined

and controlled by capitalist mode of production. Contemporary Neo-Populists explain this phenomena in two ways. While some have taken this as an evidence of persistence of 'Peasant' or 'household mode of production, operating according to its own logic, distinct from that of capitalism, the others have understood this in terms of specific features of peasant production which permit it to resist the pressures of capitalist production relations.

At the methodological level significant contributions have been made to overcome the limitations in the works of Lenin and Chayanov. Contemporary Marxists have criticised Lenin's method of using land and asset categories to demarcate peasant classes and have developed more direct indices. Patnaik's 'labour exploitation criterion' has attempted to identify peasant classes on the basis of their relation to labour use. Athreya et al; has developed another criterion called 'surplus critertion' to demarcate classes, based on appropriation of surplus. Despite these developments in classification methods most of the contemporary Marxists' empirical studies continue to use 'land and assets' indices for classification of households.

The contemporary Neo-Populists have carried out several empirical studies using 'household mobility method' of Russian Neo-Populists and redefined some of their concepts to apply to the present times. They have particularly acknowledged the work of Shanin who has made a valuable methodological contribution

advancing his famous concept of 'multi-directional mobility'. He has developed experimental model incorporating some of the Leninist ideas. Contemporary Neo-Populists have also tried to use income and total assets instead of land categories to group the households into different wealth categories.

The foregoing is not a comprehensive review of various issues involved, it is an attempt to give the flavour of the debate and present the important themes and of complexity of factors that mould the process of change in agrarian structure. The debate provides rich ground for research and for polemic. In the light of the above debate the present study examines the nature of changes in agrarian class structure and relation in the context of growing commercialisation, capitalist tendencies and increasing state intervention in agriculture on the basis of a detailed longitudinal micro level empirical field study. The study is based on a village, Palaparru, which is in the cotton growing dry region of the Guntur district of Andhra Pradesh. By focusing on a single village in the region the aim has been to achieve a degree of detail and to cover a range of issues involved in the understanding of the process of change among the peasantry that may not otherwise have been possible.

The choice of this specific region (if one put aside the various personal¹¹ and circumstantial factors involved in the researchers selection of an area for study) has been purposive. One of the important aims of the study is to understand the relationship between the capital and the peasantry. The following features of the region permits the present study to examine this relationship. The cotton growing region of Guntur is considered to be one of the leading commercial zones in Andhra Pradesh with regard to commercialisation of agriculture as far as high productivity is concerned (cotton yield levels are among the highest in the state and national level). In terms of intensive application of H.Y.V. (High Yielding Variety) seeds, chemical fertilizers and pesticides also this region stands out as one of the leading areas in the country.

The main focus of the study is to empirically examine the pattern of differentiation and mobility among different agrarian classes over a period of forty years i.e., from 1950 to 1991 in Palaparru. The pattern of differentiation and mobility is examined through analysing changes in agrarian class structure and mobility (changes in composition of different classes and mobility of individual households from one class to another class) and

11 The author is a native of Palaparru. One the of the reasons which guided him to choose this village is his familiarity with the developments that have taken place in the village since 1970 and accessibility to the data.

class relations (relationship between different classes i.e., labour and employer relations, merchants/moneylenders and peasant relations etc.).

1. 2. METHODOLOGY

The methodology adopted in the study is drawn from both Marxist and Neo-Populist empirical methods of studying changes in the agrarian structure and relations. To be specific, the study adopted 'household mobility or dynamic survey' method used by Neo-Populists but modified it in several ways to incorporate Marxist empirical methods i.e., identification of households on the basis of class and analysing agrarian change through class relations. The proposed method classifies households not on the basis of wealth or income categories, which is a common practice among Neo-Populist scholars but on the basis of household's relationship with the labour market (hire in, hire out and self-employment) which is considered to be an important criteria in the Marxist definition of agrarian classes. The detailed discussion on method of classification of households and method of measuring mobility are taken up in Chapter 3.

The nature and objectives of the present study determined the type of field methodology that has been chosen to collect the data. One of the principal aims of the study is to understand the nature of socio-economic change among different agrarian classes in the context of developing capitalism and increasing state intervention. This demands detailed information on various

socio-economic aspects of agrarian classes and variety of factors which influence the processes of change.

1.2.1 Limitation of official statistics

At an early stage it was realised that such a detailed information was not available from published sources and written records for the study area. Moreover, some of the available written sources i.e., official land records, census reports etc., were not quite useful as they lacked details on several aspects which are necessary for the study. The CENSUS OF INDIA, for example, presents static impressions of economic class structure every ten years which mask individual household movement underlying net changes. Moreover there are several problems with the definition of various categories used in the census data (Polly Hill, 1982, pp.16-20).

The land records from local offices which are useful for verifying changes in land ownership were also found to be inadequate. There has been no land survey in Palaparru since the 'Re-survey and Re-settlement register of 1925. If the land transactions were registered at all after 1925 they were simply pencilled into the 1925 land record (locally called *Adangal* report) maintained by the local revenue office (Mandal Revenue Office). Moreover, it was difficult to relate the present day households to the names of the owners (for example, their fathers, grand fathers or the people who sold them the land) mentioned in *Adangal* report. The main problem, however, was that many families

did not register land transfers, either because the transactions involved illegally owned land or because of high registration fee (almost equivalent to 10 per cent of the land value).¹² The person in charge of land records in the local Mandal Revenue Office admitted that in the land record for Palaparru village, nearly 60% of the land was not registered with the names of the present day owners.¹³

Consequently, the present study depended heavily on the development of comprehensive and systematic method of assisting the villagers to recollect information about their family, community and village histories. It followed a structured approach to 'oral history' by asking the respondents themselves about their economic histories and about the changes in class and community.¹⁴ To encourage the respondents to recollect the quantitative information, it has employed a series of field techniques. These techniques are developed basis of an understanding of how villagers themselves recollect the timing of events and estimate quantities. In the following pages a brief explanation on the field methodology (sampling procedure, techniques of data collection etc.) is given.

¹² For example the author's family sold four acres of land in 1978. The person who purchased the land did not get it registered till date because of the high registration fee but has been cultivating it since 1978.

¹³ Interview with Village Administrative Officer(V.A.O.) who maintains the land record of Palaparru (4-1-1991).

¹⁴ This approach to history is discussed in Thompson (1978) and employed in such studies as Vaughan (1987).

The author had the opportunity to go through the survey of Palaparru village conducted by the Department of Planning Government of Andhra Pradesh, in 1990 just one month before the present field work began and also went through the responses to questionnaires of this socio-economic survey. A detailed information on all the households on several socio-economic variables viz; demographic details, assets, occupation, annual income etc., were collected by this survey. On examining the information of a few households from the above survey it was found that the data had many defects especially the data on ownership of assets, annual income and occupation. When the author contacted the persons who were involved in data collection for this survey for example local village school teachers they admitted that the data on assets, annual income and occupation was not reliable. According to a government school teacher who collected the data:

the respondents tended to understate the information about their real wealth and incomes expecting benefits from the government social welfare programmes.

He further stated:

we just noted down whatever the respondents said. We did not probe into the details. We were asked to complete this survey within a month. It is difficult..to do this kind of survey within such a short duration.¹⁵

1.2.2 Selection of sample households

Selecting representative sample for a long term retrospective study of a socio-economic change among the peasantry is far more

¹⁵ Interview with D.Janaki Rama Rao, a school teacher working in the local school (12-1-1991).

complex than studies carried out at a single point of time. The original aim of the study was to take a random sample from 1950 population of the survey village and then trace the mobility of each household to the present day. But no reliable records of the 1950 population with all the details required for the selection of the sample households were available. The technique for reconstructing the 1950 population would have involved several stages. First, all the 870 households in the village and 300 households who had migrated out of the village since 1950 had to be taken into consideration. Secondly the names of the household heads in 1950 (of father, grandfather, uncle etc.), and subsequent arrangement all the census papers of the households with the same head's name for 1950 into groups (that is of extended families) needed to be done. While this may be feasible for small villages, implementing this sample method in Palaparru village would have been time consuming.

Instead, a stratified random sample of today's households was taken, to trace the mobility of each, back to the father and grandfather. Tracing one collateral branch was the method used by Attwood (1979) who noted that while this restricted the analysis to a 'single line descent' the sloughing off of collateral branches is necessary to avoid analytical confusion' (Attwood 1979, pp.499).

There are several limitations to tills approach. While the 1991 sample households were representative of the survey village

in that year, their father's households do not typify the population in earlier periods. Secondly it neglected those households which have migrated out. This was compensated to some extent by including 16 migrant households into the sample.

The sample of 76 households was drawn from the census type of survey conducted by the study for the 874 households in the village and 261 households who have migrated out of the village since 1950. Through census type of survey, the author collected basic information for all the 1135 households. The information about migrant households was collected from their relatives, friends who were residents of the village and also from a document prepared by a village teacher. The basic information included demographic details of the households, amount of land owned, principal occupation, caste, labour use patterns (in terms of house hold's primary and secondary involvement in self-employment, labour hiring and hiring out activities) etc. The sample was drawn using both stratified random sample and stratified non-random sample method. While the 60 sample households were selected from the village residents on the basis of stratified random sample, 16 sample households from migrants were selected on the basis of stratified sample but not randomly. As the author did not have access to most of the migrant households who were living in far away places, the sample from these households was selected from those households which were

living in nearby places.¹⁶

On the basis of the census survey, all the households were stratified into five socio-economic categories. For the purpose of stratifying the households a composite criteria based on socio-economic variables of occupation, land and labour use patterns were applied, using local terminology and concepts.

First, on the basis of principal occupation, all the households were classified into five broad occupational categories. These are: (1) *raitulu* or *ryotulu* (Peasants/farmers), (2) *vyaparastulu* (merchants), (3) *udyogastulu* (salaried employees), (4) *kuulilu* (labourers) and (5) others. *Raitulu* are those who own land and primarily depend upon cultivation. *Vyaparastulu* are those who are engaged in various forms of business activities i.e., trade, money lending, shop keeping etc. *Udyogostulu* are those who have a regular monthly income from employment. *Kuulilu* are those who work for others and primarily depend upon wages income for their livelihood. Households who own tiny bit of land (below one acre) or engage in leasing in of small pieces of land are also included in this category. The category of 'others' mainly include traditional occupational groups i.e., barbers, washermen, potters etc., and those who are not included in any of the above mentioned categories.

¹⁶ Some of these migrant households are settled in other states of India. Two households had even left the country and settled in the United States of America.

These occupational categories were further stratified on the basis of economic criteria. The category of *raitulu* is sub divided into three economic categories i.e., *pedda raitulu*(big farmers), *madyataragati raitulu* (middle farmers) and *chinna* or *beeda raitulu* (small or poor farmers) what are locally identified by the villagers and used in day to day conversation to make distinctions among different categories of farmers. These distinctions among *raitulu* are based on household's size of land holding, as well as its labour use practices. *Pedda Raitulu* are defined as those who own substantial land and primarily depend upon hired labour or tenants for cultivation of their land. This category is also distinguished from other classes by its relatively better economic position. The *madyataragati raitulu* are those who cultivate sufficient land of their own or leased in land and primarily depend upon their family labour for cultivation. The *Chinna or beeda raitulu* are those who do not own sufficient land. The work available in their own land or leased in land is not sufficient to engage all the members of their family throughout the year. They do participate in labour market for wages to some extent. This category of farmers are poor compared to the other two categories.

The category of *vyaparastulu* is subdivided into two categories i.e., *pedda vyaparastulu* (big Merchants) and *chinna vyaparastulu* (small merchants/petty traders) on the basis of the scale of their business activity. All the households who have large scale business i.e., rice Mills, cotton ginning mills, big

provision shops, fertilizer shops, commission business etc., are classified as big merchants. The owners of small tea shops, provision shops, vegetable shops and other petty business are classified as 'small merchants/petty traders'.

The category of 'labour' is subdivided into two categories. Pure labourers and landed labourers. No such distinction is made by the villagers in the study area. The households who own some land or engage in tenant cultivation are classified as 'landed labourer'. The households which do not own any land and completely depend upon wage labour are classified as 'pure labourer'. The category of salaried employees are subdivided into government employees and private employees. This distinction is necessary keeping the important differences between government and private sector employees in the study area. Government employees (school teachers, bank employees etc.,) are paid well and they have security of employment. Government sector jobs are considered far more superior to private employment (clerks, accountants, watchmen, supervisors of labourers etc., in local factories, drivers, cleaners in private transport sector etc.,) in terms of economic benefits and security of employment it offers.

The distribution of households into different socio-economic categories is given in table I.

Table - I
Distribution of sample households by socio-economic categories Palaparru 1991

Categories	No. of sample households	No. of total households
1. Peasants/farmers		
Big	3 (3.9)	44 (3.9)
Middle	7 (9.2)	102 (9.0)
Small	17 (22.4)	260 (22.9)
2. Merchants		
Big	2 (2.6)	28 (2.5)
Small/Petty	3 (3.9)	42 (3.7)
3. Salaried employees		
Government	5 (6.5)	81 (7.1)
Private	3 (3.9)	40 (3.5)
4. Landed labourers	7 (9.2)	104 (9.2)
5. Landless labourers	26 (34.2)	396 (34.9)
6. Others*	3 (3.9)	38 (3.3)
Total	76 (99.7)	1135 (100.0)

*Other household include artisans etc

Note: Figures in brackets indicate percentages. Total number of households includes the 874 resident households of Palaparru in 1991 and 261 migrant households who left the village since 1950. Of all the 76 sample households 60 are selected from residents and 16 from migrant households.

1.2.3 Interview schedule and types of data collected

The next stage of enquiry focused on in depth retrospective study of the mobility of these 76 sample households over a period of forty years i.e. from 1950 to 91. In order to find out the trends in pre-green revolution and green revolution the period was divided into two parts i.e., 1950-69 and 1969-91. While the period from 1950 to 69 gave an idea about the trends in pre-green revolution period, the period from 1969 to 91 showed the trends after the introduction of the green revolution. All the important data was collected for these three reference years. A separate

interview schedule was used to collect the information from the sample households. The following data was collected on each sample household.

(a) Demographic data which includes genealogies and consumer and worker ratios for 1991, 1969 and 1950, births and deaths since 1950, and 'substantive changes' -partitions, mergers and household immigration and out migrations (and reasons given for such changes) and extinctions since 1950.

(b) Data on wealth which includes ownership of land, type of land values, reasons for land sales and purchases 'and partner in land transactions since 1950. House, homestead land, livestock details, farm implements etc., and reasons for asset transactions since 1950. Other economic data includes, credit transactions (sources of credit, interest rates, terms and conditions of different types of loan, purpose of loan etc.) investment patterns and rough estimates of income and expenditure patterns was available for 1991 and first few years of inheritance of present household head.

(c) Data on labour use patterns which includes information on till allocations measured in terms of months and fractions of months on different activities. The labour use data for 1950 and 1969 was collected through ranking different activities into of primary, secondary and territory activities. Here labour use is defined not in terms of number of months but in terms of first, second and third most time spent on different activities.

(d) The additional information which includes, [1] the benefits received by the household from the government in the nature of subsidy loan, crop loan, government employment through reservations, distribution of waste land, house, house site, credit for land purchase etc, the method of procuring the benefit and how they received it, how it helped to change their socio-economic positions etc., [2] the perception of the household regarding their history of upward and downward mobility, [3] technological improvements in agriculture introduced by the household and the impact of these changes on the household as perceived by them.

In addition to such random sample information, information on changes in agrarian relations (labour-employer relations, farmers and merchants relations, tenant and land owner relations etc.), caste relations and local politics by administering special topic schedules to 3-4 households from different classes and castes. Several group discussions were also conducted with elderly and knowledgeable respondents who are not included in the sample.

An important qualification of the random sample data is that, quality of data on certain aspects is less precise for earlier decades 1950s and 1960s than the later period. The availability of quantitative evidence inevitably erodes further back in time one explores. For example the study was not able to get the same quality of information on consumer and worker ratios, credit relations, labour use patterns, assets etc., for all the reference

years. The data on these aspects, moving from present period (1991) to past (1969 and 1950) lead increasingly to aggregated and less precise quantitative data. For example on the data on labour use patterns, the study was able to obtain more precise qualitative data measured in terms of months and fraction of months on time allocations for different activities for 1991 which could be used to classify the households on the basis of labour ratio estimates (as suggested by Patnaik, 1976). However, it was not able to collect similar quantitative data on labour use patterns for earlier periods. For these years it could only collected data on primary, secondary and territory activities in terms of time allocations.

The success of any village study which aims at retrospective data collection on the basis of recall method to study the process of socio-economic change heavily depends on the respondents ability to recall the events and details. To encourage the respondents to recall quantitative information, the author employed a series of field techniques to simplify recall based on an understanding of how the villagers themselves recollected the timing of events and estimate quantities. These techniques were originally developed and applied during an earlier field study on 'Economic Mobility in two South Indian villages' conducted for Lucia da Corta in Chittoor district A.P. in 1986 by the author. A brief explanation of these techniques and how they are employed in the present field study is given in the appendix-I.

CHAPTER 2

Historical Background and Profile of the Village

The village, Palaparru is situated in the south eastern part of Guntur district in Andhra Pradesh. The region is predominantly a dry zone and agriculture depends mainly on the monsoons. The purpose of this chapter is to provide an essential background to the main theme of the study i.e., understanding the nature of changes in the agrarian structure and relations in Palaparru during post independence period. It is divided into two sections.

Section one (2.1) discusses the nature of agrarian structure and relations during the colonial period. Due to the lack of sufficient historical data on the village, the data on dry region of the Guntur district has been used as a proxy to understand changes in Palaparru during the colonial period. Section two (2.2) provides a brief description of the broad features of life and economy of the village in 1991.

2.1 AGRARIAN STRUCTURE AND RELATIONS DURING THE COLONIAL PERIOD

A brief discussion of the process of agrarian change during the colonial period provides a background and an immediate context for the present study which actually covers the post-independence period. An attempt is made here to locate the observations on dry region of Guntur in the context of the theoretical debates on the question of process of agrarian change in dry regions of South India during the colonial period.

Studies focusing on dry zone regions of South India in the late 19th and early 20th century have brought quite different and

contradictory set of interpretations about the nature of agrarian structure and relations during this period. David Washbrook and Christopher Baker advanced the thesis of 'rural magnate or elite' and characterized the dry land agrarian structure as being a predominant nature for a small section of rural magnates or elites over a large mass of agrarian dependents of small and poor peasants.¹

They argued that in the dry zone regions of the Madras Presidency because of unfavourable ecological conditions (low rainfall, infertile land, lack of irrigation and widespread prevalence of small landholdings, etc) the vast majority of peasantry had to depend upon credit supplied by rural elite to carry on agrarian production. Thus according to Washbrook:

in the large central zone of dry cultivation the most distinctive feature of agrarian society was the economic dependence of mass of rural population on tiny elite of rich peasants (Washbrook, 1976, p.68).

Likewise Baker has argued:

The dominant men of the village formed a very distinct elite in the rural area ... The members of the village elite loomed large in the rural economy. To begin with, most of the other members of the village in some fashion

¹ For the details on the rural magnate thesis see following writings of Washbrook and Baker. Washbrook, D.A (1976) *The Emergence of Provincial Politics: The Madras Presidency 1870-1920* (Cambridge University Press), Washbrook, D.A (1994) 'The Commercialization of Agriculture in Colonial India: Production, Subsistence and Reproduction in 'Dry South' 1870-1930' *Modern Asian Studies*. No.26.pp.129-164, Washbrook, D.A (1978) 'Economic Development and Social Stratification in Rural Madras : The Dry Region 1878-1929' in Clive Dewey and A.G. Hopkins (eds), *The Imperial Impact: Studies in the Economic History of Africa and India* (London: The Athlone Press, pp.68-82) Baker Christopher (1976) *The Politics of South India. 1920-1937* (Cambridge University Press).

depend upon them for their livelihood. The village leaders were the chief patrons of many different artisans and other service castes . . . Many of the other land owners of the village did not own enough to support their families and thus supplemented their holdings by renting land from the village elite . . . many of the villagers had at some time to come to village bosses for a loan (Baker, 1976, p.88).

According to Washbrook, the rural magnates who had substantial land property at their disposal could accumulate wealth through cultivation. They diversified their surplus money from land into money lending and trading activities. These rural magnates through their dominant position in land and control over credit and market nexus dictated the production and marketing decisions of a large mass of agrarian dependents. Washbrook believed that control over land was a base and not the real source of economic power for these rural magnates. Their real source of power was derived from their ability to control local credit and commodity markets. According to him the process of commercialisation in agriculture during late 19th and early 20th century in a crucial sense had further strengthened the domination of these people and increased the control of rural magnates over land, credit and commodity markets and over the agrarian dependents.

Bruce Robert (1983) questioned the underlying assumptions of rural magnate hypothesis and offered an alternative explanation to the Washbrook-Baker model². Studying the same region (Bellary

² Robert, Bruce (1983) 'Economic Change and Agrarian Organization in 'Dry' South India 1890-1940: A Reinterpretation, *Modern Asian Studies*, Vol.17, No.1, pp.59-78.

District) as Washbrook did, Robert argued:

the historic process of agrarian change in South India is more clearly understood if the region is described as one of independent, market oriented small farmers rather than one of agrarian dependents under the tutelage of monopolistic rural magnates (Robert, 1983, p.59).

He argued that (a) the inequality in the ownership of land in the dry region of Bellary district was not as high as Washbrook reported, and during the period 1890-1950 inequality in land ownership had declined, (b) credit and commodity markets were not under absolute control of rural elite, (c) with the growth of 'well organised' open and competitive markets in the countryside the 'small and middle level farmers' were favorably placed in marketing their produce and retained their freedom in decision making process; (d) he accepts that there were some rich farmers who exercised considerable economic and political control over their dependents. But he says the number of these individuals were few and their impact was marginal on the economic lives of the vast number of small and middle level farmers of the region.

The implications of Robert's model of existence of independent market oriented small and middle level farmers are as follows: First it does not recognize the domination of the peasantry either by moneylenders or traders in the commodity and credit markets. Secondly, the existence of a section within the village whether it be the traditional landlord or any elite stratum of peasantry with capability of dominating land, credit and commodity markets is denied. Thirdly, the peasantry is seen largely as an undifferentiated mass in a sense, each peasant

irrespective of his (or, her) access to resources, is capable of utilizing the potentialities of profit to his best advantage.

Accordingly, Robert has argued:

the modest economic growth the region experienced after the turn of the century was not detrimental to small and middle level farmers but on the contrary, provided increased economic opportunities from which many have benefited (Robert, 1983, p.77).

For him the process of commercialisation during this period provided the context for a liberation of small peasantry and an increase in their prosperity.

In the light of the above debate an attempt is made in this section to examine the changes in agrarian structure and relations in the dry region of tobacco growing areas in Guntur district during the colonial period. The observations drawn in this section are primarily based on secondary source material particularly on the studies of Frykenburg (1965), Nata Duvuury (1985 & 1986), Satyanarayana (1991), G.N Rao and D.Rajasekhar (1991).³

3 Frykenburg, R.E (1965) *Guntur District 1788-1848: A History of local influence and central authority in South India* (Oxford: Oxford University Press), Duvvury, Nata (1985) *Commercial Capital and Agrarian Structure: a Study of Guntur Tobacco Economy* (Ph.D thesis submitted to the Centre for Development Studies, Trivandrum), Satyanarayana, A (1991) 'Commercialization, Money Capital and the Peasantry in Colonial Andhra, 1900-1940' in S.Bhattacharya et al (eds) *The South Indian Economy 1914-1947* (Oxford University Press, pp. 52-119). and Rao, G.N and Rajasekhar, D.(1991) 'Commodity Production and the Changing Agrarian scenario in Andhra: a Study in Interregional Variations : 1910-1947' in S. Bhattacharya -et al (eds) *The South Indian Economy*. . pp. 1-50

(1) Significant economic inequalities and stratification existed in the villages of Guntur even before the colonial period⁴. The colonial Government's attempt to bring about changes in village land revenue system through the introduction of Permanent Land Settlement in 1802 and Ryotwari Settlement System in 1869 did not address itself to the existing inequalities in land ownership. Instead it further strengthened these inequalities within the village. Frykenburg (1965) in his monumental work *Guntur District 1768-1848: A history of local influence and central authority in South India* explained the 'failure of colonial government in bringing about changes in land administration. The introduction of the Permanent Land Revenue System in 1802 according to him did not bring about any significant change in the land revenue system or reduce the inequality in the land ownership patterns due to the growing influence of local revenue officials (village *carnams*) and rich *ryots* who owned lot of land property and yielded considerable control at the village level. Nata Duvvury in her detailed study on tobacco growing region in Guntur also reports:

the ryotwari settlement while injecting, some dynamism into the system by removing an oppressive and parasitic class of Zamindars, created conditions for the accentuation of inequality within the village. Though the tenure system considered all the landholders equal in a legal sense, it did not alter significantly the

14 For general discussion about inequality and stratification in pre-British Indian Villages, see Habib, Irfan (1962) *Agrarian Systems of Mughal India*. (Madras, G.S. Press). For discussion on Guntur Region, see Duvvury (1982) 'Evolution of the agrarian structure in Guntur District from pre-colonial period to 1940' Paper presented at Seminar on *Political Economy of Development*, University of Hyderabad, 1982 and Rao, G.K (1984) "Dimensions of Land Control in Coastal Andhra: A Historical Over View Paper presented at *Second Annual Conference of the Andhra Pradesh economic Association*. 1984.

inequality between them. The new revenue system only institutionalized the results of the process of acquisition of land that had been taking place over the previous sixty, even two hundred years (Duvvury, 1985, P.24.).

2. Agriculture in the Guntur district in general and tobacco-growing areas in particular had been exposed to a higher degree of commercialisation during the colonial period. Particularly after the introduction of F.C.V. tobacco in the early decades of the 20th century. Guntur district has been reported by several economic historians as a unique case of the rapid growth of commercialisation and deepening of commodity relations in South India during the colonial period. Comparing the changes in the cropping pattern and growth of commodity production in the coastal Andhra Districts. G.N. Rao and D.Rajasekhar reports:

Among all the districts of Coastal Andhra Pradesh (CAP) Guntur presents a unique case of commodity production. Although its share in the total rice area of C.A.P. was small, varying from about 8 to 10 per cent during the period 1910-46, its share in the area under .. crops such as groundnut, tobacco, condiments and spices was quite high. In the late 1910 the share of Guntur in the total ground nut area of C.A.P. was a mere 7 per cent. But by the early 1930s, this had gone up to more than 52 per cent. Such dramatic rise during the short period of one and half decades indicates the progress of commercial agriculture in the district. As for tobacco, even by the early 1910s, Guntur claimed as high as 43 per cent of the total tobacco area in C.A.P. By the late 1940s this share went up to well over 60 per cent. As per condiments, except during the depression, more than half of the total area of these crops was in Guntur. Till 1913, Guntur claimed about one fifth of the total area under cotton in C.A.P. However, during the subsequent period, this share declined rather drastically (Rao, G.N and Rajasekhar, D, 1991, pp.10-11).

Like wise Adapa Satyanarayana observes:

a process of commercial agriculture was firmly set in the district during the early decades of the present century (Satyanarayana, 1991, p.56).

The process of commercialisation has had a long history in the District of Guntur. In Guntur, agriculture had been exposed to commercial influences even before the British established their control in this region. However, it was not a significant phenomena till the second half of 19th century.⁵ A variety of developments during the second half of 19th century (growing demand for cash crops in internal and foreign markets, expansion of transport facilities, incentives and compulsions from colonial administration etc.) and importantly the introduction of F.C.V. tobacco in the early 20th century, greatly strengthened these commercial influences and paved the way for the rapid growth of commodity production in this region (Duvvury, 1985, p.90).

Analysing the data on the changes in cropping pattern during 1865-1930, Duvvury (1985) made the following observations. (a) Even at the time of the Ryotwary settlement in 1865 Guntur was a predominantly subsistence production region. Nearly 80 per cent of the cultivated area was under food-grains which were mostly inferior cereals. The production of oil seeds and cotton was mostly to cater to the local needs. Remarkable changes took place over the next seven decades. (b) There was an increase of 85% in the area cultivated between 1865 and 1900. The most significant

5

see Duvvury (1982). Not only Guntur most parts of South India too exposed to commercial influences in Medieval period. With regard to commercial influence on agriculture in India in Medieval period David Washbrook concludes:

Although it would now seem established beyond question that agriculture in most parts of India had been exposed to commercial influences from medieval times, there can be little doubt that a variety of developments from second half of the 19th century greatly strengthened these influences' (Washbrook, 1994, p.129).

trend was the steady increase in the area under industrial crops. The area under food grains declined from 80% in 1965-66 to 64.4% in 1930-31 and area under cash crops on the other hand had risen from 20% in 1985-86 to 35.6% in 1930-31. (c) The expansion of the area under cash crops does not fully reveal the extent of the commercialisation in the region. It may be noted that part of the grain produced was also meant for the market. By 1920s more than 42% of the rice production was marketed.

3. The growth of commercial crop production did not benefit all the sections of the peasantry equally. Though there was evidence to suggest that the commercial crop production was spread among all the sections of peasantry, it was the upper stratum of the peasantry which responded more favourably. This was more evident in the case of the F.C.V. tobacco cultivation. As the F.C.V. tobacco cultivation was more capital intensive the poor peasantry in tobacco growing areas did not favorably respond to produce the tobacco crop (Duvvury, 1986, p.51). In the case of marketing of cash crops also the rich peasants who had certain degree of independence and autonomy in credit relations and command over resources benefited more than the other sections. In the marketing of cash crops the rich peasant could afford to wait, stock the produce in their houses for some time and sell them only when the price was high. The president of the local co-operative bank in Guntur district told the Banking Enquiry Committee:

the rich agriculturists who became village traders enormously benefited by the cultivation cash crops.⁶

⁶

Madras Provincial Banking Inquiry Committee Report. Vol.11, P.519, cited in Satyanarayana (1991) p.63.

4. There was expansion in the commercial crop production accompanied by the development of agro-processing industries. The processed and semi-processed agricultural products were not only traded within the district but also were increasingly exported. By 1920s, Guntur, Tenali, Narsaraopet and Chilakaluripet became the leading trading centers for exporting various agricultural commodities. Export of commodities from the district increased nearly eight fold between the 1880s and the end of 1920s (Duvvury, 1985, pp.40-44).

5. The rapidly growing trading in agricultural products was controlled by a long chain of intermediaries at the apex of which were the English firms such as the Volkart Brothers and Bally Brothers, B.A.T. (British American Tobacco Company) I.L.T.D. (Indian Leaf Tobacco Development Corporation) which controlled much of the export trade in cotton, tobacco and indigo. The wealthy Indian Marwari and Komati or chetty firms, controlled significant production of the internal trade in rice, chillies, turmeric etc. The lower level of intermediaries, village dealers to the established wholesale dealers in market towns had relative autonomy vis-a-vis the Komatis and other Marwari firms depending upon the trade conditions and the type of crop (Duvvury, 1986, P.47).

6. The expansion of commodity production provided immense possibilities for the penetration of Merchant moneylending capital into the village economy. It increased the monetary requirements of a large section of the peasantry and led to their increasing

dependence on the credit market for production capital. The most interesting aspect of commercialisation process in the district was the emergence of the rich peasant moneylender/trader in the villages. The benefits derived from the cultivation of commercial crops and increasing access to the market enabled the rich peasants to diversify their surplus profit into money lending and trading activities. In Guntur district the rich peasants of the Kamma caste had to compete with the professional Komati moneylenders and traders in credit and trading activities. By 1940s the rich peasants had become an important force in rural credit market (Satyanarayana, 1985, p.65). A survey in 1935 reports that 87 per cent of the moneylenders in Guntur were agriculturists themselves.⁷

The significant role played by the rich peasantry in rural credit market also enabled them to venture into trading in agricultural commodities. The village surveys conducted by N.6. Ranga in the late 1920s in Guntur district reveal that the rich Kamma peasants, who accumulated profit through commercial agriculture, chillies and money lending were able to diversify their activities in the agrarian trade. He wrote:

In Guntur there are as many village dealers as there are merchants and the former have come to play as important a part as the latter. Host of these village dealers are themselves rich ryots who wish to find employment for their money ... there has arisen the tendency for the bigger ryots of most of the tobacco growing villages to enter the trade directly themselves – The mystery

⁷ H.R.S. Satyanarayana, 'Report on Agricultural Indebtedness (Madras, 1935), cited in Satyanarayana (1991) p.63.

surrounding the manner and the method of carrying on export business has long ago been dispelled...and even ordinary but rich ryots are entering into this business with plenty of confidence (Ranga, 1926, p.30),

7. There are rich peasants who took to money lending and trade and established a clear control over credit and trade markets. The traditional moneylenders and traders though on the retreat had still an important presence in the countryside and more so in urban centers. The continuing existence of traditional moneylender/trader class has to be considered in analysing the economics and politics of this region as suggested by Duvvury (1985, p.62).

6, The dynamics of wealth accumulation in other spheres i.e., credit and trade did not reflect in the same way in land ownership though the land was unevenly distributed among the different strata of the peasantry. There was no clear indication that the inequality in land ownership increased over a period of time. Analysing data on changes in the pattern of land ownership Duvvury concludes that, during 1905-1909

the dynamics accumulation did not get reflected in any market increase and concentration. While there were increasing land sales, there was no adequate data to indicate that land was passing primarily into the hands of the rich peasants (Duvvury, 1986, p.48).

This trend seems to confirm the Dharma Kumar's observation on land ownership pattern in South India during 1853-54 to 1945-46. She states:

the growth of inequality may have manifested itself not in large land owners buying up smaller ones, but in the larger landlords diversifying their assets, and going into trade banking and industry; particularly agricultural processing industries such as sugar and rice milling (Kumar, 1975, p.258).

While this has been the trend in the late 19th and the first two decades of the 20th century, after 1920s the concentration of land seems to be growing. This is more so if one takes the actual. operated land instead of own land into consideration. The concentration of operated land in the hands of upper stratum of peasantry had reflected itself in the growth of 'reverse leasing after 1920s in the tobacco growing villages.

In reverse leasing, the upper stratum of peasantry lease land from lower sections. The reverse leasing was mainly confined to tobacco cultivation. The main reason for reverse leasing in tobacco cultivation was that it required rotation of crop because continuous cultivation of this crop in the same field led to erosion of the soil. Moreover the processing of tobacco required a 'barn' which needed around 10 acres of tobacco crop for its optimum functioning⁸. These features of tobacco cultivation encouraged the reverse tenancy in the study area (Duvuury, 1986, P.47).

9. The commercialisation process in the region also affected the landless agricultural labourers; the lowest strata of agrarian society. The attached labour relations and the practice of payment of wages in kind which prevailed, showed a declining trend over a period of time. There was a significant increase in the proportion of this class. It had increased *from* nearly 25% to 32%

⁸ Barn is a small tobacco processing unit where curing and grading of tobacco green leaves is done.

during 1911-31 (Duvvury, 1985, p.56). After the introduction of F.C.V. tobacco, a new form of labour arrangement i.e., mootah or contract labour system came into existence especially in tobacco harvesting and grading operations in this region. A group of 25-30 labourers formed a mootah (called gang) and did the work collectively and shared the wages equally. The amount of wage was fixed for the 'total work' done by all the labourers and not for an individual labourer. The emergence of *mootha* or contract labour marks a new qualitative stage in the evolution of the agrarian class in this region. Studying the impact of F.C.V tobacco cultivation on labour relations Duvvury observes:

The introduction of F.C.V. tobacco cultivation and consequent reorganization of labour process in the agrarian and agro-processing sector marks a qualitatively new stage in the evolution of the agrarian class. The elements of attachedness rapidly disappeared and casual labour employment became the norm. Given the higher demand for labour, the mootah labourers, especially the curing workers were able to assert themselves. By the end of the Forties there were numerous strikes by agricultural labourers in Guntur for better wages at times against the arbitrariness of the mootah. leaders. Tobacco villages of Guntur came to be known as 'belt of red pallis (Duvvury, 1985 ,p.51).

To sum up, the observations on the growth of commercialisation of agriculture and its impact on the nature of the agrarian structure and relations during the colonial period clearly reveals that (a) the agrarian structure in Guntur was highly stratified even before the commodity production was widespread and wealth was disproportionately distributed among different sections of the peasantry. The growth of commercialisation further strengthened these inequalities. The

upper stratum of the peasantry responded more favorably to the cash crop production. In marketing of the crops also, this section which had a certain degree of autonomy and independence in credit relations and control over resources benefited more than the other sections. The most significant development of commercialisation was the diversification of resources by the rich peasants into money lending and agrarian trading activities*. The combined control of rich peasants over land, credit and trading markets further strengthened their position in village economy and politics. Though the rich peasants established a clear control over village credit and trade market, the traditional moneylenders/traders (though on the retreat) were still an important force. On the other hand the commercialisation process led to increasing dependence of small and poor peasants on the credit market for their production capital.

The presence of the highly stratified agrarian structure and the subsequent commercialisation of agriculture resulting in the increasing concentration of wealth and power in the hands of a small section of rich peasantry and increase in the dependence of small and poor peasants on the credit market are apparently more close to the 'rural magnate' thesis of Washbrook-Baker than Bruce's thesis of 'Independent small and middle farmers'. But Washbrook-Baker model too has some limitations. First, it overemphasises the role of the upper stratum of the peasantry in their control over credit and trade markets and in turn, in controlling the large mass of small and poor peasantry. The observations suggest that the dominance of the rich peasantry over

village credit and trade market was not absolute and the traditional moneylenders and traders within the village and from outside still played an important role. Secondly, to imagine that the small farmers were so dependent that they were dictated by the 'rural magnates' even in matters of crop choice can not be validated from the study observations. Thirdly, the 'rural magnate' thesis does not provide any scope for the important role played by colonial capital and State in the process of commercialisation. In Guntur the process of commercialisation was clearly influenced by the 'politics of colonial government and foreign capital. The introduction of F.C.V. tobacco and its growth was a very clear example in this regard.

A variety of socio-economic developments which have a significant impact on the process of agrarian change have taken place since independence in the study area. The introduction of green revolution in late 1960's and changes in cropping pattern (shift from tobacco to cotton) have further strengthened the process of commercialisation which had its underpinnings during the colonial period. The increasing intervention of government in agriculture through extending institutional credit, procurement policies, land reform measures and various other welfare interventions had a significant impact on the socio-economic life in the rural areas in general, and agrarian relations in particular.

2.2 PALAPARRU VILLAGE: SOME OF ITS BASIC FEATURES

The purpose of this section is to provide a brief description of some of the basic features of the village life and economy. It covers only those socio-economic features which will provide a necessary background to the latter analysis of the dynamics of changing agrarian relations and structure. Most of the data presented in this section is based on the census type of survey conducted on all the resident households in Palaparru as part of the field work.

Before going into the description of the village per se, it is important to understand the features of the region, as much of the information related to climatic and other geographical features are available at a regional level, rather than on the particular village under study.

2.2.1 South eastern part of Guntur

Guntur district is one among the nine coastal districts in Andhra Pradesh.⁹ The south eastern part of the Guntur district (presently comprising the Pedanandipadu and a few villages of Chilakaluripet, and Kakumanu Mandals) with which the present study

⁹ Andhra Pradesh is one among the four southern states of India. It is broadly divided into three separate regions -(a) Coastal Andhra, a relatively developed region consists of nine districts i.e. Sri Kakulam, Vizianagaram, Vishakapatnam, East Godavari, West Godavari, Krishna, Guntur, Ongole and Nellore, (b) Rayalaseema region considered as the most backward region of the state consists of four districts. Both Coastal Andhra and Rayalaseema were under the direct control of British rule and were part of the Madras Presidency during the Colonial period, (c) Telangana region consists of ten districts. This part of the region under the control of the Nizam government during the colonial rule.

is concerned is known for producing the world famous 'Virginia' tobacco since 1920s upto late 1960s, and for its long staple cotton since from 1970's. The area attained historical significance due to its active participation in the non-co-operation movement against Imperial rule popularly known as the 'Pedanandipadu no-tax movement'¹⁰.

The area is located between the north latitudes of 15°18, and 16°50 and the east longitudes of 70°10' and 80°55'. The area suffers from hot climate. During the summer which starts from the middle of February and continues till the first week of June, the temperature rises to between 30°C-40°C. The north east monsoon breaks the hot spell and brings early rains. The south west monsoon season follows thereafter and extends up to the end of September, October and November, constituting the post-monsoon season. The period from December to the middle of February is generally marked by moderate weather. The temperature during this period is between 15 c to 18 c.

The average rainfall in the area during 1983-90 varied between 760mm to 1026mm per annum. While the rainfall in monsoon season accounts for nearly 60 per cent of the annual rainfall,

10 Pedanandipadu Non-cooperation movement in 1921 had attained a national significance. As part of the protest, the people in this area stopped paying taxes to the colonial government. All the village officers resigned from their posts. The administration came to standstill. The British government took serious note of this movement and used oppressive measures to stop the movement. (source. M Venkatarangaiah, *Freedom Struggle in Andhra Pradesh* Vol.III, 1965).

rains in the post monsoon season record for about one third of the annual total. Heavy rainfall occurs in the month of October

The agrarian geography of south eastern part of Guntur is characterised as a dry zone. Agriculture which is the backbone of the region's economy is almost dependent upon monsoons. Host of the ground water available is saline and hence not suitable for either cultivation or for drinking. A small stream called vogeru vagu or *nallamada vagu* which finally drains into the Bay of Bengal passes through this area. After the construction of Nagarjuna Sagar Dam in 1967, this stream is used as a channel to pump the drainage water. The stream has a constant water flow throughout the year except in summer season when it gets dried up. Pumping water from this stream to the lands is an expensive affair. The farmers who have lands adjacent to this stream make use of the water from this stream for irrigational purposes during periods of drought¹²

The area is covered by black soil which is suited for tobacco and cotton cultivation. Cotton is the principal crop grown in this area. In the year 1990-91, cotton accounted for

Data on climate and rainfall is taken **from Census hand book. Guntur district, 1991, published by Bureau of Economics and Statistics, Government of Andhra Pradesh.**

¹² In 1995 some of the farmers in Palaparru and Annavaram (a neighbouring village) formed into a Cooperative society and started a lift irrigation scheme. They have installed a permanent motor and started lifting water from the vogeru vagu. Under this scheme nearly 250 acres were converted into wet land. In Palaparru revenue village nearly 50 acres came under this scheme.

nearly 80% of cropped area in the region. Since 1975 the percentage of the area under cotton never dropped below 70%. The predominant varieties of cotton grown in this area are i.e M.C.U.5, M.C.U.9, Varalakshimi, N.H.Y which produces long staple cotton, all being hybrid varieties.

The other important crops are jowar, maize, tobacco, chilli, red gram etc. Tobacco, once a principal crop in the area has almost declined and now grown in less than two per cent of the total cropped area.

The south eastern part of Guntur district which predominantly is a cotton growing region is considered as one of the leading commercial zones in coastal Andhra in regard to commercialisation of agriculture as far as high agricultural productivity is concerned. The average yield of per hectare cotton is high in this area when compared to the state and national averages. During 1978-81 for instance, the average yield per hectare cotton (lint) raised to a record level of 450 Kgs which was higher than the average yield of 160 Kgs of the state and national level (V.N.Reddy, 1985, p.A137). In terms of intensive application of H.Y.V seeds, chemical fertilizers and pesticides this region stood high among the leading areas in the country (Ramesh et al, 1987, P.4).

2.2.2 Palaparru village

Palaparru, the village on which the present study is focused lies on the plains of south-eastern part of Guntur district, six Kms. south west of market town of Pedanandipadu which is the mandal administrative headquarters¹³ and Chilakaluripet, yet another market town, situated at about 12 Kms from the village. It lies on the main 'pacca' road which connects these two marketing towns and has good transport facilities. The National highway which connects Calcutta and Madras passes through the Chilakaluripet town.

Palaparru is a revenue village with its own Panchayat administration¹⁴. It is one among 12 villages which is under the jurisdiction of the Pedanandipadu mandal. The concept of 'social village'¹⁵ clearly applies to this village. All the important social groups which are found in this area are represented in the village.

2.2.3 Physical structure

Physically Palaparru constitutes a compact unit. The houses are clustered together within a small area, giving the village a

¹³ Mandal is a local revenue and developmental administrative unit. In Andhra Pradesh the local administration has a three tier system, i.e. District, Mandal and Village. Mandal is a middle level unit which links between District and Village. The jurisdiction of a Mandal extends to a group of villages.

¹⁴ In palaparru, the revenue village (basic unit of revenue administration) and the panchayat village (the basic unit of development administration and of local administration) coincide.

¹⁵ A village is called social village if it represents all the important social groups (castes) of that area (Rahman. 1986, p5 270).

fairly distinct physical entity. Though it looks like a single physical unit, it has important territorial divisions when examined from within. These territorial divisions are of great importance because social norms and values are attached to them. The internal divisions among different castes in the village to a great extent reflect in these territorial divisions. The people who are close to each other in the caste positions tend to live together and where the caste positions differ, they live apart¹⁶.

The *palla* or *waada*. is a place where the so called former ex-untouchable castes ie., Mala and Madiga (officially classified as scheduled castes) live and is on the eastern corner of the village. Though this area looks like a part of the village, there is a clear demarcation that separates it from the rest of the village. Within the *palle*, Malas and Madigas live separately. A small area in the north-east end of the *palle* is occupied by the Madigas and rest of the area by Malas. A new colony was constructed by the government in 1984 for these people in the southern side of the *palle*. A Government primary school is located in the *palle* which caters exclusively to the needs of these castes. Although there is no caste restriction to admit other caste children into the government school, since its inception no upper caste children have sought admission here.

16 The importance of village physical structure in understanding the social relations among different castes in the village is clearly brought out by many village studies of social anthropologists. For example see Andre Bettelie's (1969) study of a village in Tamilnadu and M.N srinivas (1988) study of a village in Karnataka.

Host of Mala and Madiga caste people converted themselves into Christianity during the colonial period. A church which is located in the palle is their center of meeting place for both religious and other social activities. The Yerukala caste officially classified as Scheduled Tribe, has a separate settlement called yerukala peta.

The Vuru which is the main part of the village is occupied by other castes (non-S.C and S..Ts) and a small section of Muslims. While the place where Muslims live is situated in the southern corner of the village, the rest of the area is occupied by other castes. The settlement pattern in the main village has undergone important changes since the beginning of this century.

In the original plan each caste had clearly a separate place of settlement. The streets were named after the caste groups ie., Brahmin bazar, Komati bazar, Mangali bazar, Kummari bazar, etc. The Brahmins and Vysyas occupied the center of the main village where all the important public places i.e., Venugopal Swamy temple, village library, school and administrative office, hotel are situated. Much of the village social activity used to take place here. Next to them, a large area was occupied by the Kammas the dominant peasant caste who also constitute the single largest population group in the village.

Kummari (potters), Kammari (goldsmith), Kamsali (blacksmith), Sale (weavers) Chakali (washerman), Mangali (barber), the

traditional services castes used to live next to Kamaas in separate streets named after their castes in south-east corner of the main village.

Since the beginning of this century, there has been a large scale migration of Brahmins and Vysyas to towns in search of salaried employment and business. Thus today one hardly find any Brahmins and Vysyas living in the area once exclusively occupied by them. Some of the Vysya families shifted their houses to other localities. The Brahmins and Vysyas who immigrated into the village for employment in local government schools, started living in different areas where other castes are dominant. Thus while the original settlement plan of the village clearly reflected the traditional caste hierarchy the recent changes reflect the changing caste relations and softening of the caste prejudices mainly among non-S.C and S.T castes. The relationship between the Scheduled Castes, Scheduled Tribes and other castes have also undergone some changes, although it has not yet been reflected in their settlement pattern.

The village has three water tanks, two in north and one in the south-west end of the main village. The two tanks in the north end are used for drinking water purposes and the one at south-west end is meant for miscellaneous purposes ie., washing clothes, cleaning cattle etc. The village has a overhead water tank, which

supplier water to the houses through pipes¹⁷. In the main village most of the houses have water pipe connections. The village panchayat has provided seven public taps to the palle and one tap at the Erukala street.

Electricity was provided in this village in 1978. Both the palle and *Vuru* are provided with public street lighting. Almost all the houses in *uuru* and 80% houses in palle have electricity connections

2.2.4 Literacy and education

Palaparru is a center of education for the neighbouring villages. It is also known for its high literacy rate. The first Government Primary School was started as early as in 1891 itself. There were 70 children studying in the school in the year 1918. Among them 57 were boys and 13 girls. The ratio of the upper castes and backward castes (Kammas were also included in the backward castes list) was 18:52. A separate school for girls was started in 1928. In 1944 of the 200 girl children in the school-going-age in the village 56 of them were studying in the school. The girls school continued till 1951 and later it was merged with the boys' school. In 1950-51 a private high school (8th to 10th class) was started. As there is no high school in the surrounding villages, the children from these villages have to

¹⁷ Palaparru was one of the earliest villages in Guntur district which constructed the overhead tank to supply the water through pipelines to the houses, as early as in 1962.

come to this school in Palaparru¹⁸.

The data on literacy and education shows that the village has more literacy rate than the district and state average. In 1991 nearly 62% of the population (excluding children below 5 years) in the village were literates whereas the average literacy rate was 46.35% and 44.09% in Guntur and A.P. state respectively. Among 38% illiterates 95% of them were above 15 years old. The illiteracy was more among agricultural labourers who mostly belong to Scheduled castes and Tribes. Nearly 60% of the illiterates belong to these two communities only. In recent years the need for education has been recognized by all the communities. They are sending their children to the school at least for a few years to enable them to acquire the minimum skills of writing and reading.

2.2.5 Population

The total population of the village in 1991 was 3522 divided among 874 household and 15 castes¹⁹. Kaunas who are the single largest group constitute 48.9% of the population. Next comes the Scheduled Castes who constitute 29.2% of the population. The backward castes together constitute 21.7% population and 0.9% Vysyas and Brahmins account less only 0.2% (see table 2.1).

¹⁸ This information is taken from a unpublished village monograph written by Janaki Rama Rao, D. a village school teacher.

¹⁹ According to official census reports 1991 the total population of the village was 3,566 which almost coincides with the census data collected by the author.

The population of the village did not show any marked increase during last three decades. According to official census reports, during 1961-1991 the population has increased only 19% which is very low compared to the population growth rate at the district and state level. During this period the total population of Guntur district and A.P.State have increased by 60% and 84% respectively.

The most important reason for the low rate of population growth is large scale migration of population to urban areas. The migration is greater among upper castes belonging to Brahmins Vysyas and Kammas. Janaki Ramarao the local historian estimates that while during the last four decades nearly 300 families mostly belong to upper castes had left the village totally, the families who migrated into the village were only about 40. Of the 300 families nearly 65% of them belonged to Brahmins, Vysyas and Kammas. While most of the Brahmins and Kammas have moved out of the village in search of employment in Government and private sector salaried jobs, the main reason behind the migration of the vysyas was to expand their business activities (Janaki Ramarao, 1994).

2.2.6 Caste and occupational structure

The economy of the village is mostly dependent upon agriculture and the livelihood of most of the people is derived more or less directly from it. The occupational structure of the households is given in table 2.2. It shows that nearly 62% households derived their income mainly from agriculture.

TABLES 2.1.

Caste wise distribution of No. of households and population

Caste	Number of house holds	Percentage of house holds	Total population	Percentage of population
Kamma	420	48.0	1725	48.9
Vysya	9	1.0	35	0.9
Brahmins	4	0.4	9	0.2
Sale	15	1.7	67	1.9
Chakali	28	3.2	120	3.4
Kummari	18	2.0	87	2.4
Mangali	15	1.7	67	1.9
Muslims	31	3.5	125	3.5
Mala	193	22.0	806	22.8
Madiga	71	8.1	226	6.4
Yerukala	31	3.5	73	2.0
yanadi	2	0.2	5	0.4
Golla	3	0.3	16	0.4
Other BCS	32	3.6	145	4.1
Total	874	99.5	3522	99.6

Note: BCS = Backward Castes.

TABLE: 2.2.

Occupational wise distribution of households

Occupation	Number of House holds	Percentage of House holds
Cultivation	330	37.7
Agriculture labour	390	44.6
Business	47	5.3
Salaried employees	58	6.6
Carpenters	1	2.4
Washermen	6	
Doctors	2	
Tailors	10	
Barbers	2	
Others	28	3.2
Total	874	99.8

The households that have a fixed salaried income from government and private sector jobs i.e., teachers in local schools, supervisors in private spinning mills, etc., account for 6.6% of the total households. The families dependent upon business and trade, ie., shop keeping, hotel, commission business, money lending, pan shops, vegetable shops etc. account for nearly 5.3% of the total households. The employment in traditional occupations like, pottery, carpentry, laundering, weaving etc., seems to be very low. The households mainly dependent upon these occupations constituted only less than one per cent of the total households

The interlinkage between caste and occupation of the households indicates that in Palaparru there had been a remarkable change in the traditional occupational structure. The traditional artisan castes i.e., Mangali, Chakali, Kamsali, Sale, Kummari, Kammari, etc., constitute 9% of the total households. Among them nearly 76% have left their traditional occupations completely. Business and trading has been a traditional occupation of Komatis. In recent years the Kammas and other castes have entered these activities in a significant way. Out of 31 households who are dependent upon trade and business, only 9 belonged to the Komati caste.

2.2.7 Caste and landholding pattern

In Palaparru the Kammas are the dominant land owning community. They owned nearly 70% of the land. The Scheduled Castes who constitute 29.2% village population shared only 3.7 of

the land. The caste-wise distribution of households into categories of different land sizes (see table 2.3) indicate that 94.2% of the households who own land above 10 acres and below 24 acres and 93.7% who own land between 5 and 10 acres belong to Kamma caste. Nearly 60% of the households that belong to Scheduled Castes do not own any land. They constitute 54.4% of landless households.

TABLE: 2.3.

Caste and land category wise distribution of Households

Name of the Caste	Cate gory I	Cate gory II	Cate gory III	Cate gory IV	Land less	Total (Percentage)
Kamma	33	75	193	61	58	420 (46.0)
Vysya	2		2		5	9 (1.0)
Brahmins		1	2		1	4 (0.4)
Sale		1	1	2	11	15 (1.7)
Chakali				3	25	28 (3.2)
Kummari		3	9	5	1	18 (2.1)
Kammari			1		1	1 (0.1)
Mangali			5	1	9	15 (1.7)
Muslims			2	8	21	31 (3.5)
Mala			11	35	147	193 (22.1)
Madiga			1	8	62	71 (8.1)
Yerukala			1	1	29	31 (3.5)
Yanadi					2	2 (0.2)
Golla			2		1	3 (0.3)
Other BCs			5	16	12	33 (3.8)
Total	35 (4.0)	80 (9.1)	235 (26.8)	140 (16.0)	384 (43.9)	674 (99.6)

Note: Category I=10 and above acres Category II=5-10 acres Category III= between 1-5 acres Category IV=less than 1 acres

The backward castes together constitute 28.7% of the landless households. 44.% of the households in the village do not own any land. The significant feature of this village is that there are no big landowners. The biggest landowner who belongs to the Kamma caste owned only 24 acres. There are a huge number of small land

owners who own land ranging between 1 to 5 acres. They constitute 47.9% of the total land holders. A detailed study of changes in the pattern of land ownership is taken up in chapter 3.

2.2.8 Cropping pattern

Cotton is the principal crop grown in this village. Of the total 2585 acres cropped in 1991-92, cotton crop accounted for 2180 acres (84.5%). Cotton crop was first introduced in Palaparru in 1969. In the first year only two rich farmers had experimented on this crop. Within a span of five years it became the dominant crop in the village. In 1974-75 it accounted for nearly 70% of the cropped area and since then it never dropped below 70%. The normal duration of the crop is 150 days to 180 days depending upon the variety of crop sown. Due to lack of irrigation facilities only one crop is grown in a year. The varieties of cotton grown in this village are ie. , M.C.U.5, M.C.U.9, Varalakshimi. All of these are hybrid varieties. The cotton produced in this village is of superior quality which is in demand in the national market, and exported to mills in Coimbatour and Bombay.

The other important crops are jowar, maize, tobacco, chilli, red gram, green gram etc. Jowar is produced mainly for cattle feeding. The tobacco once the principle crop in this village has almost declined and now it accounts for not even one per cent of the cropped area.

2.2.9 Tenancy

Tenancy is an important factor in Palaparru. Nearly 27% of the owned area was under tenancy in 1991-92. All the sections of the farmers are involved in leasing of land, (see chapter 6 for detailed discussion on tenancy relation)

2.2.10 Credit and Banking facilities

Much of the credit required for Palaparru villagers comes from outside the village. Palaparru does not have banking facility. For formal institutional credit the villagers depend on the Union Bank situated at Uppalapadu a neighbouring village and the Bank of Baroda at Pedanaudipadu town both situated within the distance of 6 Kms. The advances in kind in the form of seeds, fertilizers and pesticides are from the shop dealers in Pedanandipadu and Chilakaluripet and is an important source of credit for most of the small and poor peasants in Palaparru (see Chapter 5 for detailed discussion on credit relations).

2.2.11 Political institutions

Palaparru is a separate revenue village with its own panchayat administration. The village administrative officer (V.A.O) who is a government servant looks after the revenue administration. The panchayat president who is a head of panchayat administration is directly elected by the people. Presently the president of panchayat is a women candidate who was elected to this post under recently introduced reservation policy for women in local bodies. The introduction of adult franchise

and elections to village panchayats have had a significant impact on the socio-economic life of the village.

All the important political parties in the state like Telugu Desam, Congress and Communist Party of India (Marxist) have their representation in Palaparru. The Communist Party of India (Marxist) which had a large mass base in 1960s has lost its support base and become a mere entity now. The Congress Party draws its main support from agricultural labourers belonging to Scheduled Castes, Brahmins, Vysyas, and small section of rich Kamma peasants. The Telugu Desam Party on the other hand is popular among small, middle and section of rich peasants and Backward Castes.

CHAPTER 3

***Changing Class Structure and Class Mobility in
Palaparru 1950-91***

Introduction

The discussion of the process of agrarian change in the previous chapter indicates that agriculture in the study area had been exposed to a high degree of commercialisation and there existed a highly stratified agrarian class structure even during the colonial period. The discussion was mainly centered around the issues concerned with the impact of commercialisation in agriculture and to some extent the impact of colonial government on the agrarian structure. With the introduction of the green revolution, in the late sixties and the increasing intervention of state in the socio-economic life of rural people in general and agrarian sector in particular in the post-independence period, the discussion has been shifted to the following issues. Whether the green revolution has had any significant impact on the agrarian social structure and brought about qualitative changes in production and exchange relations? Does it lead to the differentiation or polarisation of the peasantry or to the creation of a large body of market oriented farmers? What is the role of state in agrarian social transformation? The contemporary debate which addresses these issues revolves around two broad theoretical perspectives i.e., Marxist and Neo-Populist. The broad views of Marxists and Neo-Populists regarding agrarian change were discussed in chapter one.

In the light of that discussion the present chapter examines the nature of changes in agrarian class structure and mobility and the causes for these changes in Palaparru during the

post-independence period between 1950-91 using retrospective data on changes in pattern of land ownership and labour use practices among 76 sample households.

This chapter is divided into three sections.. Section one (3.1) explains the procedure of classification of households, definitions of various concepts used in the study and the method followed to measure the mobility. Section two (3.2) analyses the data on land ownership mobility and discusses the various limitations in using landholding size as an indicator to identify the socio-economic status of the household. Section three (3.3) analyses the data on labour use mobility. Section four (3.4) examines the various factors which contributed for the mobility among different classes.

3.1 THE DATA SET, CONCEPTS AND METHOD OF MEASUREMENT

The data used in this chapter is based on the retrospective study of 76 sample households. The sample was selected from a survey of all the households in the village conducted in 1991 covering all the 874 resident households in Palaparru village and 261 households which had migrated out of this village since 1950. The data collected for each household for over a period of forty years i.e., 1950-'91, the time period which is considered to be sufficient for any long term study of household mobility (da Corta, 1991).

The procedure used to collect the sample households and the empirical methods adopted to collect the data have already been explained in detail in chapter 1. In this section the procedure of classification of sample households into alternative classification schemes i.e., land ownership and labour use, and the method used to measure mobility are explained.

3.1.1 Classification of households: Land ownership criterion

Land ownership is defined as total land owned including land leased out by a household. The possible bias of neglecting the differences in quality (cultivable and non-cultivable, dry and wet land) and thus by neglecting the differences in land values in using land categories need not arise since there is not much difference in quality of land in the study area. The total patta land in Palaparru revenue village is 2,749 acres which is dry in quality and nearly 96% of this land is cultivable. However, a few sample households owned some wet land in other villages far away from Palaparru. In these cases one acre of wet land is weighed as equivalent to 2 acres of dry land.¹

On the basis of the size of the land holding of a household the following categories are used to explain the mobility in the land ownership patterns. The categories are big landowners, middle landowners, small landowners, marginal landowners or landed

¹ The value of an acre of dry land in 1991 varied between Rs.25,000 to 30,000 in Palaparru. The value of an acre of wet land in other places where the sample households owned land varied between Rs.50,000 to 65,000.

labourer and landless households. Big landowners are defined as those households who own above 10 acres of land . Due to frequent changes in the upper limit of landholdings size, the size of land holding in this category is not fixed. For example, the biggest landowner owned 60 acres of land in 1951, while in 1991 it is 25 acres. The middle landowners are those who own between 5 and 10 acres and small landowners with ownership of between 1 and 5. Marginal landowners are those who own 1 acre and below. The last category is the landless householder who does not own any land.

3.1.2 Labour use (labour class) criterion

Yet another method of classification of households is based on the criteria of the labour use practices of the households. The main contribution to the debate on classifying agrarian classes on the basis of labour use criterion have been made by Roemer (1982) and Utsa Patnaik (1976 & 1987). They have developed two classification schemes to identify the 'classes' on the basis of the Marxist theory of labour value. Roemer defines class position on the basis of how individuals relate to the hiring and selling of labour power and self employment (Roemer, 1982). Roemer's labour classification schema as applied by Bardhan (1964) is given in table 3.1. Patnaik's classification schema identifies the classes on the basis of 'labour exploitation criterion' developed by her. The labour exploitation criterion (E.criterion) classifies households in terms of labour exploitation ratio defined as total use of outside labour divided by family labour days. On the basis of E criterion she identifies six agrarian

classes. In statistical terms Patnaik's classification improves on Roemer's by replacing a categorical level of measurement with a ratio which produces continuous variables (da Costa, 1992). Patnaik's labour classification schema is given in table 3.2.

Table: 3.1
Roemer's Schema

Roemer's Schema	Bardhan's Labels
1. SE = 0; HI > 0; HO = 0	Capitalist landlord
2. SE > 0; HI > 0; HO = 0	Rich Farmer
3. SE > 0; HI = 0; HO = 0	Family Farmer
4. SE > 0; HI = 0; HO > 0	Poor Peasant
5. SE = 0; HI = 0; HO > 0	Landless Labourer

Where SE = Self-employment, HI = Hiring other's labour power, and HO = Hiring oneself out.
Source : Bardhan, 1984 : 167-8.

The data available for the present study is not sufficient to apply Patnaik's 'labour exploitation criteria' to classify the households into different classes on the basis of their labour use practices and to trace the mobility of these classes back to 1950.² On the basis of data on primary, secondary and tertiary activities in terms of time spent by the head of the (or main income earning member) household in 1950, 1969 and 1991, a

² Patnaik's labour exploitation criteria demands data in terms of ratio estimates of number of days spent on different activities i.e. labour hiring in, hiring out and self employment, for the entire year or at least for one crop season to ascertain the class position of the household. Though the collection of data for the present period was not difficult, difficulty was experienced in collecting the labour use data for 1950 using the recall method.

Tables 3. 2
Patnaik's Classification Schema

The following limits are specified to the value of E in order to classify households into a set of mutually exclusive and all-exhaustive categories (sub-categories not specified here are not ruled out).

Class	Defining Characteristic	Value of $E=X/F$	Reason
1. Land-lords	No manual labour in self-employment, large employment of others labour	$(E \rightarrow \infty)$	$F=0$ $X>0$, and large Primarily exploiting others
2. Rich peasant	At least as large as employment of others' labour as self-employment	$(E > 1)$	$F>0$, $X>0$, $X > \underline{F}$
3. Middle peasant	Smaller employment of others' labour than self-employment	$(1 > E > -0)$	$F>0$, $X>0$, $X < \underline{F}$ Primarily self-employment
4. Small peasant	Zero employment of others or working for others; and working for others to smaller extent than self-employment	$(0 > E > -1)$	$F>0$, $X<0$, $X < \underline{F}$
5. Poor peasant (Poor tenant & labour with land)	Working for others to a greater extent than self-employment	$(E < -1)$	$F>0$, $X<0$, $X > \underline{F}$ Primarily exploited by others
6. Land-less labourers	No self-employment; working entirely for others	$(E \rightarrow -\infty)$	$F=0$, $X<0$ and large

Source: Utsa Patnaik (1988) *The Journal of Peasant Studies*, Vol.15 No.3, p.322.

tentative schema based on Roemer's labour classification scheme was developed. Lucia da Corta (1991) suggests several modifications to Roemer's classification schema in order to make it applicable to the study of peasantry in the South Indian context. Table 3.3 illustrates a revised version of Roemer's schema applied by da Corta in her study of economic mobility in two villages in South India.

The important revision made by da Corta is to extend Roemer's schema to non-agrarian activities and incorporate non-agrarian classes also into the schema. She incorporates non-agrarian hiring in, hiring out and self employment in order that hiring out includes agricultural as well as non-agricultural labour work (eg. construction work, road works etc) and self employed work includes working on one's own farm or as a tenant as well as self employment as an artisan (eg. barber, potter, weaver etc) or petty trader (selling vegetables, family run tea shops, provision shops) or salaried employee of certain categories. (eg school teacher, bank clerk etc) and hiring in includes both hiring agricultural and non-agricultural labour.

The meaning of 'hiring in' in agriculture is restricted to the more limited action of hiring in during the non-peak periods. The reason for this according to her is that in dry land agriculture middle farmers or poor peasants often drawn on exchange labour or wage labour to some extent because of the need

for labour during peak periods. While they may hire in a bit of wage labour during harvest, they do not do so over the year.

Table: 3.3

Lucia's revised version of Roemer's schema: labour class ranks

Labour Class	Description	Primary activity	Secondary activity
L Landless labourers	Only labouring work	HO	
L4 Labourers with Marginal PCP activity	Primarily labouring Work, with some self-employment	HO	SE
SP Small Petty Commodity Producers	Primarily self-employment, with some labouring work	SE	
MP Middle Pett Commodity Producers	Only self-employment (negligible hiring out and rarely hires in outside peak season)	SE	
BP Big Petty Commodity Producers	Primarily self-employment, but also hires in significant amount throughout the year	SE	HIN
C Capitalist Producers	Primarily supervises or leases out land (No participation in own work) also includes merchants educated salaried and non-agrarian capitalists who do not do manual work	HIM	

Note: SE=Self-employment; HIN=Hires in or Leases out; HO=Hires out.
 —=None or negligible amounts of other activities other than primary activity. For instance, a household head classified as a landless labouring household head might have its primary activity agricultural labouring, secondary crop weigher and tertiary hotel worker all of which are HO.

Source: Lucia da Corta, 1991.

Tables 3.4
Non-Agrarian Labour Classes.

		Non-Agrarian Labour use			Agrarian Labour use		
Labour Rank	Occupation	HO	SE	HI	HO	SE	HI or LO
C or BP	Merchants	-	yes	yes	-	-	yes
C or BP	Salaried (Educated)	-	yes	yes (manage)	-	-	yes
SP or MP	Petty Traders and Artisans	-	yes	yes	U	0	neg
L or L+ or SP	Salaried Workers	yes	-	-	0	0	neg

Where HO=Hires out
SE=Self-employed
HI-Hires in
LO-Leases out

U=Usually
neg=negligible
-=none

Source: Same as table 3.3

She ranked the non-agrarian households on the basis of their labour use pattern in agricultural and non-agricultural activities (See table 3.4). Merchants/money-lenders while they depend upon family labour to run their business or other activities, in agricultural activities they mostly depend upon wage labour. These households are categorized as capitalist producers or big commodity producers. In contrast the petty traders are categorized as middle or small commodity producers. The reason for this according to her is that though petty traders and the low salaried depend upon family labour in their non-agricultural activities, in agriculture they tend to hire themselves out. Similarly salaried households who hire out themselves in non-agriculture activities, in agriculture, the white collar job holders depend upon wage labour and the low salaried tend to hire

out. The households employed in white collar jobs are categorized as capitalist producers or big petty commodity producers and those employed in low paid jobs as small or marginal petty commodity producers.

In da Corta's revised schema there are six classes. The class 'L+' (labour with petty commodity production) which is similar to Patnaik's poor peasant category was added by her in order to mark the rapid increase in this group. She also introduces some flexibility into Roemer's schema by allowing for 'negligible' amounts such as middle farmers who may hire themselves out for few days in a year and some labourers who might work for few days on their garden land. In order to denote both agricultural and non-agricultural commodity production, she uses the term 'commodity producer' instead of the terms 'peasant or farmer' for cultivating households as suggested by Bernstein (1988).

The present study chose to apply da Corta's revised version of Roemer's schema to find out mobility in the labour use patterns of different classes in the survey area. The model is slightly modified to apply to the survey area, da Corta's revised schema defines rich peasants (big commodity producers) as those whose primary activity is self-employment and labour hiring in is the secondary activity. In Palaparru the study found that the rich peasants who cannot be classified as capitalist farmers or middle peasants hire in labour in large scale. The family labour participation is much less compared to their dependence on wage

Table:3.5
Revised version of Roemers, classification schema.

Class	Description	Primary activity	Secondary activity	
Class I	No manual work in agricultural operations. Only supervise or lease out land. this class also included big merchants, high paid salaried employees and non-agrarian capitalists who do not do manual work	HIM		Labour hiring in classes (primary exploit: others)
Class II	Primarily depend upon hired labour but also do some self-employment	HIN	SE	
Class III	Only self-employment and negligible amount of hiring in and hiring out activities	SE	-	Self-employed classes
Class IV	Primarily self-employment with some Labouring work	SE	HO	
Class V	primarily labouring work with some self-employment	HO	SE	Labour hiring out class (primarily exploited others)
Class VI	Only labouring work	HD		

Note: H = hires out, SE= self-employment, HIN= hires in or leases out, none or negligible amounts of other activities other than primary activity. For instance, a household classified as a land less labouring household might have its primary activity agricultural labouring secondary crop weigher and tertiary hotel worker all of which are hiring out activities.

Class I to VI refers to both agrarian and non-agrarian classes. The ranking of agrarian households as follows: Class 1= land lord/capitalist farmer, class II= rich peasant, Class III= Middle peasant, Class IV= small peasant, Class V= poor peasant and class VI= landless agricultural labourer. The ranking of non-agrarian households such as merchants moneylenders, salaried employees, petty traders, artisans etc., into class to VI is based on the labour use of pattern of these households in agrarian and non-agrarian activities. Big merchants, high paid salaries employees etc., are included into class I or II, petty traders, artisans, certain categories of salaried employees (School teachers, clerks in government offices etc) are included in to class III or VI and low paid salaried workers, (village tank watchman, sweepers etc) and non-agricultural labour (workers in hotels, rice Mills, construction and road repairing activities etc) are included in to class V or VI depending up their labour use pattern and extent of their participation in agrarian and non-agrarian activities.

labour in the agricultural activities. This class is redefined as those whose primary activity is labour hiring in and self-employment is secondary activity, With regard to the terminology the study prefers to use the term 'peasant' while referring to the small scale agricultural producers who depend upon the participation of family labour in varying degrees instead of characterising them as 'petty commodity producers'. The revised classification schema used in the present study is given in table 3.5.

3.1.3 Method of measurement: Transition matrix approach

The method adopted to explain the pattern of mobility is based on the transition matrix approach, which compares the position of household at one point in time with its position at different points constructed as follows: If one defines a set of n categories for any given time period, for example on the basis of the land ownership categories, if one has data for land ownership for the same sample in two time periods, one can construct a square matrix M of order n where each element m_{ij} of M represents the probability of an individual moving from category i to category j . For instance, if one has a sample of 6 households divided into three categories 1-3 and if one wants to construct M over two time periods A and B.

House hold number	Category in time period.	
	A	B
1	1	2
2	1	1
3	2	3
4	2	1
5	3	3
6	3	1

M would be:

$$\begin{bmatrix} 0.50 & 0.50 & 0.00 \\ 0.50 & 0.00 & 0.50 \\ 0.50 & 0.00 & 0.50 \end{bmatrix}$$

This matrix shows that of the two households in category 1 at A, one household (half) stayed in category 1 and one household moved to category 2 and none into category 3, therefore: $m_{11}=0.50$, $m_{12}=0.50$ and $M_{13}=0.00$. The rows of M always sum to 1.

The construction and examination of mobility matrices can provide a lot of detail on the pattern of movement. Using this matrix one can also measure the overall upward, downward and overall mobility.

Measures of Upward, Downward and overall mobility

Measuring upward mobility concerns only the upper triangular elements of M. Total upward mobility would results in the following matrix for $n=4$:

$$\begin{bmatrix} 0 & 0 & 0 & 1 \\ 0 & 0 & 0 & 1 \\ 0 & 0 & 0 & 1 \\ 0 & 0 & 0 & 1 \end{bmatrix}$$

In order to define a measure of overall upward mobility, U, which ranges say from 0 for no upward mobility to 1 for total Mobility as represented by the above matrix, the upper diagonal coefficients of M (i.e., all m_{ij} where $i < j$) weighted by their

mobility as represented by the above matrix, the upper diagonal coefficients of M (i.e., all m_{ij} where $i < j$) weighted by their distance from the diagonal $|j-i|$ are used. One way to achieve this is simply to sum the weighted upper diagonal coefficients of M and divide by the maximum possible value of the weighted coefficients (in the above matrix this would be $3+2+1=6$). Therefore, in mathematical notation:

$$U = \frac{\sum_{i=1}^{n-1} \sum_{j=1}^n (j-i) m_{ij}}{\sum_{i=1}^{n-1} 1} \quad \text{for all } i < j$$

Note that if a labourer moved up one category but a middle peasant moved up two, there would be more upward mobility using this measure than if each moved up one.

Similarly one can define a measure of overall downward mobility D, based on the weighted lower diagonal elements of m (where $i > j$):

$$D = \frac{\sum_{i=1}^n \sum_{j=1}^{n-1} (i-j) m_{ij}}{\sum_{i=1}^{n-1} 1} \quad \text{for all } i > j$$

The overall mobility is merely the average of U and D

As the data is available for the three time periods 1950, 1969 and 1991, three separate mobility matrices are constructed for each classification scheme i.e., land ownership, and labour use. Matrix one explains changes that have occurred during the

first two decades after independence 1950-1969. This cut off point chosen in order to compare the trends in the pre-green revolution period with that of the green revolution period: second matrix covers the green revolution period 1969-91. Third matrix covers the entire period 1950-91.

3.2 MOBILITY IN THE OWNERSHIP OF LANDHOLDINGS

In Palaparru village like in most other parts of rural India land ownership is unequally distributed among different households. The degree of inequality in ownership of land was much greater in the past. The data on pattern of land ownership in Palaparru village for the years 1950 and 1991 makes this clear.

In the year 1950 the top 10% of the land owning households in the sample owned about 64% of the total land of the sample households. The share of the bottom 60% of the households, (including landless households) was about only 6% and middle 30% households owned 30% of the total land. Though the land ownership remained heavily concentrated even in 1991 the degree of concentration of land ownership and land inequality has shown a declining trend compared to 1950. . In 1991 the share of the top 10% of the households declined to 54% and there is an increase in the share of bottom 60% of the households, which is 8% as against 6% in 1950. The middle 30% of the households improved their share more than the bottom 60%, owning about 38% of the land as against 30% in 1951. The Gini co-efficient values measured for the years 1950-1991 too show a declining trend in the land inequality. The values are 0.75 in 1951 and 0.70 in 1991.

The declining trend in the concentration of land ownership and land inequalities is much more clearly observed through the transition matrix approach. With the aim of comparing trends in the land ownership before and during the green revolution period three separate matrices are constructed. The First one explains the trends in mobility patterns for the entire period of 1950-1991. The second one brings out the trends between 1950-69 the period before the introduction of the green revolution. The third one 1969-91 indicates trends in the post green revolution period.

TABLE:3.6
Category wise distribution land owned in 1950, 1969 and 1991

Land Category	1991	1969	1950
Big Landowners	37.1 (5.3)	46.3 (7.9)	65.3 (9.2)
Middle Landowners	27.7 (9.2)	26.2 (11.8)	16.0 (11.8)
Small Landowners	30.1 (26.3)	24.1 (25.0)	15.7 (23.7)
Marginal Landowners	4.9 (15.8)	3.4 (11.8)	2.7 (13.1)
Landless	(43.4)	(43.4)	(42.1)

Note: Figures in columns indicate percentage of land owned and figures in parenthesis indicate percentage of households.

A distinct feature in the mobility matrix for the period 1950-91 (See table 3.7) is the remarkable immobility or stability among the landless households. 71% of the households who were landless in 1950 remained landless in 1991 too. The next category

which witnessed a relatively high degree of immobility is the middle landowners. Though in terms of relative immobility the big landowners category comes second, the mobility among this category is highly significant, 57% of the households who were big landowners in 1950, moved into other categories with 28.5% into middleholders and 28.5% into small landowners category. The decline in the size of this category and decline in the proportion of land owned makes it clear that this category has witnessed significant downward mobility and lost considerable amount of land to the other categories. 'The category of small and marginal landowners witnessed a relatively high degree of mobility. 70% of the marginal and 67% of the small landowners in 1950 left their position and moved into the other categories by 1991. The overall picture during this period reveals that the degree of overall mobility is low with 52% of the total households remaining in the same landholding categories over the period 1950-1991, The degree of overall downward mobility is greater than upward mobility. The values of overall mobility, upward and downward mobility measured by distance moved by each category are 0.19,0.11 and 0.26 respectively.

A comparison of mobility patterns between the earlier period 1950-1969 (pre-green revolution period) and later period 1969-1991 (green revolution period) reveals that the degree of overall mobility is much lower in the earlier period than later period. In the earlier period (See table 3.8) both the extreme groups i.e. big landowners and the landless witnessed relatively high degree

of immobility or stability. The landless category witnessed the highest degree of immobility. Of all the 32 households that were landless in 1950, 29 (90.6%) remained landless in 1969, 2 (6.2%)

Table: 3.7
Land ownership mobility 1950-1991

1950 Land Categories	1991					Total
	I	II	III	IV	V	
I. Big Landowners	3 (42.8)	2 (28.5)	2 (28.5)	-	-	7
II. Middle Landowners	-	4 (44.8)	4 (44.8)	-	1 (11.1)	9
III. Small Landowners	1 (5.5)	-	6 (33.0)	4 (22.0)	7 (38.8)	18
IV. Marginal Landowners	-	1 (10.0)	4 (40.0)	3 (30.0)	2 (20.0)	10
V. Landless	-	-	4 (12.5)	5 (15.6)	23 (71.8)	32
Total	4	7	20	12	33	76

Note: Numbers of the columns refers to the similar land ownership categories as referred for rows. The figures in rows and columns refer to the distribution of households in 1950 and 1991 respectively. Diagonal terms are in bold type. The figures in parenthesis are the elements of row matrix indicating percentage of distribution of households for 1950. This matrix describes what has happened to household's landholding position during 1950 and 1991. For instance of the seven big landowners in 1950, 3 (42.8%) remained in the same category in 1991 too. Two households each (28.5%) have moved to middle and small landowners category.

moved into small and 1 (3.1%) moved into middle landowners category. In terms of relative immobility the big landowners come second. 57.1% of the big landowners in 1951 remained in the same

category in 1969 too. Both the middle and the marginal landowners witnessed the highest degree of mobility. 67% of the households in middle and 70% marginal landowners in 1951 moved into other categories in 1969. While 22.2% of the middle landowners moved upward by increasing their land ownership, the remaining 44.4% of this category moved downward losing some of their land. 40% of those who were marginal holders in 1950 became small holders and 30% became landless labourers by 1969. The small holders too witnessed relative mobility with only 38.8% of the households in 1951 remained in the same category in 1969. The remaining 61.2% of this category disintegrated with 33.3% moving into marginal holders and 22.2% into middle land holders and 5.5% into the landless category.

Moving from an earlier to later period, (see table 3.9) the situation had slightly changed. The overall mobility has increased as against the earlier period with more downward than upward mobility. The values of overall mobility and downward mobility using distance measures have increased from 0.13 to 0.16 and 0.14 to 0.25 respectively from earlier to latter period. The upward mobility has declined from 0.13 to 0.8. Though the two extreme groups i.e. big landowners and the landless are relatively more stable than the other groups as they were in the earlier period, the degree of immobility declined significantly. 50% of those who were big landowners in 1969 remained in the same category in 1991. This percentage was 57.1 in the earlier period. with regard to landless category 72.7% as against 90.6% in earlier

period regained in the same category. The other group which showed relative stability is the small landowners. Compared to earlier period this group showed greater immobility during this period with 52.6% as against 38.8% in the earlier period did not witness any mobility.

Table:3.8
Land ownership mobility matrix 1950-1969

1950 Land Categories	1969					
	I	II	III	IV	V	Total
I. Big Landowners	4 (57.1)	1 (14.3)	2 (28.6)	-	-	7
II. Middle Landowners	2 (22.2)	3 (33.3)	4 (44.4)	-	-	9
III. Small Landowners	-	4 (22.2)	7 (38.8)	6 (33.3)	1 (5.5)	18
IV. Marginal Landowners	-	-	4 (40.0)	3 (30.0)	3 (30.0)	10
V. Landless	-	1 (3.1)	2 (6.2)	-	29 (90.6)	32
Total	6	9	19	9	33	76

Note: This matrix is to be read in a similar way as table 3.7

In contrast, the marginal landholders witnessed the highest degree of mobility. Of all the marginal landowners in 1969, 22% remained in the same category as in 1991. The remaining 78% moved into the other categories; with 22.2% moving into upward and 55% moving into downward categories.

Tables 3.0
Land ownership mobility 1969-1991

1969 Land Categories	1991					
	I	II	III	IV	V	Total
I. Big Landowners	3 (50.0)	2 (33.3)	1 (16.6)	-	-	6
II. Middle Landowners	1 (11.1)	3 (33.3)	4 (44.4)	-	1 <11.1)	9
III. Small Landowners	-	2 (10.5)	10 (52.6)	4 (21.0)	3 (15.7)	19
IV. Marginal Landowners	-	-	2 (22.2)	2 (22.2)	5 (55.5)	9
V. Landless	-	-	3 (9.0)	6 (18.0)	24 (72.7)	33
Total	4	7	20	12	33	76

Note: This matrix is to be read in a similar way as table 3.7

An overview of land mobility matrices reveals that there has been considerable mobility among households belonging different land size categories. The downward mobility was greater among big landowners where as the lower landowning categories witnessed greater degree of upward mobility. In general there has been a declining trend in the concentration of land ownership. The big landowners category (above 10 acres) declined in its size and also lost considerable amount of land. The lower landowning groups especially marginal landowners (below one acre) and landless tallied land.

What does this trend signify? The decline in the concentration of land ownership and considerable mobility among different landowning groups certainly seems to contradict the thesis of *depeasntisation* involving disintegration of small landowners and dissolution of small scale peasant production. But the analysis of differentiation as a social process calls for more than simple inspection of indices of land concentration. Inequality in land ownership is only one aspect of general inequality. It can not be taken as the sole indicator of economic differentiation found among different classes of the peasantry. The loss of land by the big landowners does not necessarily mean that their economic position also declined. In a similar way the gain of land by the poor also does not necessarily mean that their economic position has changed significantly. One needs to examine the reasons for land transactions. Why the rich have lost land and how could the poor gain land? In order to examine these questions here, a detailed information on land transaction is collected.

3.2.1 Reasons for land transactions

The reasons for land sales or losses were divided into the following groups for analysis.

Distress sales and Losses: Land is sold in order to overcome a distress situation faced by the household. Land sales to cover family consumption, medical expenses (to clear the debts caused by these expenses) and clear the debts arising out of losses in cultivation, etc.

Ceremonial expenses: Marriage, death, festivals and other ceremonial expenses (Including land given as dowry in marriages)

Investment: Land sales with the aim of investing in either agricultural or non-agricultural activities. Investments in agrarian activities include land improvement, disposing of unproductive distant land to buy or exchange for other lands nearer to one's own land, intensification of cultivation, buying farm implements and machinery, buying live-stock etc. Investment in non-agrarian activities include investment in business, education, buying of urban property etc.

Partition loss: Land lost due to partition of the household.

Other reasons: Other reasons include, house repairs, court litigation expenses etc.

In good number of cases a combination of reasons leads to the sale of land. For the purpose of analysis the primary cause was taken into consideration.

Why the big landowners lost land: An examination of the reasons for land sales and losses indicates that the reasons are 'not similar for all the landholding categories. The big landholders sold much of their land for investment in non-agrarian activities, while the lower land owning groups sold their land in order to overcome distress conditions.

Table 3.10 and 3.11 show that during 1950-'91, of all the land sale transactions of the big landowners, 45.9% of them were for investment purpose, 29.7% for ceremonial expenses and 16.2% for distress reasons. In contrast 80% of the land sale

Table: 3.10
Percentage (Number) of all sales and loss transactions from 1950-91 by reason for sale and loss.

Reasons	Big land owners	Middle land owners	Small land owner	Marginal land owners	Land less	Total
Distress	11.7 (6)	13.6 (3)	15.0 (3)	26.6 (4)	50.0 (4)	17.2 (20)
Investment	33.3 (17)	22.7 (5)	15.0 (3)	13.3 (2)	–	23.3 (27)
Ceremonial expenses	21.5 (11)	22.7 (5)	25.0 (5)	20 (3)	12.5 (1)	21.6 (25)
Partition	25.4 (13)	31.8 (7)	35.0 (7)	33.3 (5)	37.5 (3)	30.2 (35)
Other or unknown	7.8 (4)	9.1 (2)	10 (2)	6.6 (1)	–	7.7 (9)
Total	99.8 (51)	99.9 (22)	100.0 (20)	99.8 (15)	100.0 (8)	100.0 (116)

Note: Households in landless category is taken from 1991 sample households. The remaining categories are from 1950 sample households.

Tables 3.11
Percentage (Number) of all sales transactions (market) from 1950-91 by reason for sales.

Reasons	Big land owners	Middle land owners	Small land owner	Marginal land owners	Land less	Total
Distress	16.2 (6)	20.0 (3)	23.1 (3)	40.0 (4)	80.0 (4)	25.0 (20)
Investment	45.9 (17)	33.3 (5)	23.1 (3)	20.0 (2)	–	33.7 (27)
Ceremonial expenses	29.7 (11)	33.3 (5)	38.4 (5)	30.0 (3)	20.0 (1)	31.3 (25)
Other or unknown	8.1 (3)	14.4 (2)	15.4 (2)	10.0 (1)	–	10.0 (8)
Total	99.9 (37)	100.0 (15)	100.0 (13)	100.0 (10)	100.0 (5)	100.0 (60)

Note. 1. These do not include non-market transactions.
2. Households in landless category is taken from 1991 sample households. The remaining categories are from 1950 sample households.

transactions of the landless households and 37.5% transactions of the Marginal holders were for distress reasons.

Much of the investment made by the big landowners during this period is in the non-agrarian activities. Non-agrarian investments include, investments in rice mills, cotton ginning mills, kirana shops, medical shops, fertilizer shops, commission business, cinema halls, bar shops, house sites, restaurants etc. As the process of commercialisation of agriculture had started much earlier in this area compared to the other areas in A.P. the big landowners who were mostly Kamma by caste started diversifying their economic activities even before the introduction of the green revolution in this area. The green revolution further intensified this process.

Diversification of economic activities is prevalent among big landowners in Palaparru. All the seven sample households who were big landowners in 1950 had made investments in non-agrarian activities though only three of them sold a portion of their land for this purpose. One big landowner sold four acres of land to finance the construction of a cotton ginning mill, while another sold two acres to invest in a fertilizer shop and the third one sold six acres to send his son to America for higher education. All these three households who had sold their land have in fact improved their economic position compared to the 1950's.³

³

Though the study does not have any quantitative data about the relative change in the value of the assets owned and income earned

35% Of the land sales for investment among the big landowners were for land consolidation, improvement, intensification of cultivation etc. The big landowners showed much interest in land consolidation and intensification of cultivation in the initial phase of green revolution, but in recent years they seem to be losing interest as they think investing in non-agrarian sectors is much more profitable than investing in land. Heavy fluctuations in cotton prices, increase in the cost of inputs (fertilizers, pesticides, seeds etc), rise in wage rates, increasing scarcity of secured labour, frequent droughts in recent years caused decline in the returns from cotton cultivation.⁴ The big landowners prefer to lease out their land or dispose it and invest in non-agrarian activities.⁵ The increasing diversification of economic activities and shifting investment priorities from agrarian to non-agrarian activities among big landowners suggest that the land is slowly losing its primordial importance as a basis of household wealth and it alone cannot be taken as an indicator to determine the economic position of these households.

The land ownership of big landowners also declined as a

by these households, the respondents from these households clearly stated that their economic position in 1990's had improved significantly compared to 1950's.

4

Compared to 1970's the net profit from cotton cultivation has declined significantly in 1980's, See V.N.Reddy (1986), and Ramesh et. al (1986).

5

Of the 7 big land owning households in the sample in 1950, 4 had given up cultivation. Three of them have already moved to towns and settled in business and service sector employment. One household though staying in the village has recently given up direct cultivation and is leasing out the land.

result of partition which makes up 25.4% of all sale and loss transactions (including non-market transactions) compared to 33.3% for investment as shown in table 3.10. In some cases partitioning could lead to dramatic losses of land. For instance one big landowner in the sample had 60 acres of land in 1950. He had five sons and land was partitioned equally among them and himself with each one getting 10 acres. Yet, generally, the partitioning among big landowners was not this dramatic.⁶ Moreover, given productivity improvements, even with the decrease in land acreage by these holders it does not automatically follow that there is significant loss of surplus production and economic position. So the partitioning of the land of the big holders might not be as difficult for them as is implied in much of the literature (da Corta, 1992). For example a big landowner in the sample owned 21 acres of land in 1950. He had three sons. He had invested a lot of money on their education. The elder son got a government job. The second son went into business after completing his education. The third one discontinued his education and started looking after cultivation. After the father's death this family was partitioned. The land was divided equally among three sons. The partition did not effect the economic position of these new families in any significant way. With seven acres each and other sources of income each of them are in a good position to improve their economic status further. This explains why for the rich both their class consolidation and land partitioning are occurring

⁶ Case study of this household is presented in the section 3.4.

together. This contrasts with the impact of partitioning among loner land owning groups. For example a small landowner family in the sample which owned 3 acres in 1950 witnessed downward mobility due to partition. The head of this family had three sons. At the time of partition each son got 0.75 acres leaving them in a position which makes improvement of their economic status much more difficult.⁷

How the poor gain land ?

In Palaparru most of the landless and marginal holders who acquired land could manage it mainly through non-market transaction. Non-market transactions include exchanges of land between family members, government distribution of land to the poor as well as encroachment of government land by the poor. Of all the land gains 55% of them were through non-market transactions. 70% of these were through encroachments (See table 3.12). A.P. Government Land Ceiling Act 1973 had no impact as there were no big landowners who owned land above the land ceiling, but the government decision to allow the poor to cultivate the government *banjaru* lands (government waste land and common land in the village) had very good impact in the Palaparru village. Some of the S.C. households who were close to the village caranam (Revenue official) and local leaders occupied about 35 acres of banjaru land in the village. This *banjaru* land occupied by the poor was of poor quality and is not transferable.

⁷ For the details of differential impact of partition on rich and Poor households see section 3.4.

Though the land occupied through encroachments was small, of poor quality and only a small number of landless benefited by this, it clearly indicated the growing awareness among the poor about their right.

The poor (landless, marginal landowners) who were able to purchase small bits of land could finance it through savings from tenancy, non-agricultural activities such as live stock rearing and remittance from family members who are working in towns, in addition to income from wage labour and farming. In the late 1980's the government's financial assistance (including subsidies) also helped the poor to purchase land (see table 3.12). Tenancy is one of the major source of income for the landless and marginal holders to improve their position and thereby acquire land. As it has been already noted, in recent years the big landowners in Palaparru are slowly losing interest in cultivation and leasing out their land, preferring instead to diversify into business activities. The extent of land leased by the landless and marginal holders increased sharply in the 1980's as the amount of land available for leasing increased during this period due to the loss of interest among big landowners in own cultivation.⁸

The government financial assistance is another source through which some of the poor could gain land in Palaparru village. The A.P. Scheduled Caste Corporation in the late 1980's started giving

6 For a detailed discussion on changes in tenancy relations see Chapter-6.

financial assistance with a 25% subsidy to the S.C. Community members to purchase land. In Palaparru 14 acres were purchased by the S.C. corporation under this scheme and one acre each was distributed to 14 S.C. families

Live stock rearing, remittances from family members who are working in towns particularly salaried employees in the government sector, savings from petty businesses (tea shops, pan shops, vegetable shops etc) also helped the poor to some extent to acquire land (see table 3.12).

To sum up, the results from land mobility matrices and other data on changes in land ownership over the period 1950-91 indicates an overall trend towards decline in the concentration and inequality in pattern of land ownership. These results are in accordance with several micro level studies on South India. John Harriss (1991), Athreya and his colleagues (1990), da Corta (1991), Attwood (1979), Cain (1981), and Rao (1972) found that decreasing rather than increasing polarisation in the structure of land ownership. Some of these studies (Attwood, 1979, Rao, 1972) have taken this evidence as an indicator of overall decline in the economic inequalities among rural households and questioned the Applicability of Lenin's theory of peasant differentiation to South India.

Tables 3.12
percentage Numbers) of all gain transactions from 1950-91 by
source of finance.

Savings	Big land owners	Middle land owners	Small land owner	Marginal land owners	Land less
Market tran- sactions					
A) Savings cul- tivation	18.7 (3)	20.8 (5)	6.6 (1)	22.2 (4)	7.1 (1)
B) Savings (non-agrarian source	6.2 (1)	8.3 (2)	6.6 (1)	22.2 (2)	14.2 (2)
Tenancy	-	8.3 (2)	20 (3)	16.6 (3)	21.3 (3)
Selling other land	12.5 (2)	4.1 (1)	-	-	-
Govt.loan	-	4.1 (1)	-	-	14.2 (2)
Selling asserts	12.5 (2)	8.3 (2)	13.2 (2)	5.5 (1)	-
Private loans	-	4.1 (1)	-	-	-
Other sources	12.5 (2)	4.1 (1)	6.6 (1)	5.5 (1)	-
Non-market transactions					
Govt.gifts*	-	4.1 (1)	6.6 (1)	5.5 (1)	42*.8 (6)
Other sources	37.7 (6)	33.3 (8)	11 (6)	33.3 (6)	-
Total	16	24	15	18	14

Note: Land distributed by the government and also Includes peoples encroachment of government land.

However, a study of reasons for land transactions cast doubts about the hypothesis that a decline in the concentration of land ownership also indicates a decline in economic inequalities. The data on reasons for land transfers suggest that land ownership

levelling may occur in the context of rising total asset inequality as many rich land holders have sold land to invest in more profitable activities. While the poor gained small amounts of land, it is of lesser economic significance in the context of growing importance of non-agrarian activities which have become relatively more profitable than engaging in cultivation. It also suggests that land is losing its primordial importance as the basis of household wealth and it is no longer enough to attempt to study rural differentiation by examining agricultural production and landholding in isolation from other activities.⁹ Taking into consideration of various limitations in using landholding size as an index for identifying class position of the households in the survey area, an attempt is made in this study to apply 'labour use criteria' which is considered to be more appropriate index for classification of the rural households.¹⁰ The following section

⁹ Reviewing evidence on changes in the land ownership patterns in post-independent India, John Harriss also made similar observation (see Harriss 1992).

¹⁰ The use of landholding size as an index of economic class of the household has been under severe attack by Marxist scholars in recent years. Patnaik in a series of articles has tried to expose the limitations of using landholding size as an index of classification of the peasant households and developed a new empirical index called 'labour exploitation criteria' on the basis of households labour use practices. She argues that 'the use of outside labour relative to the use of family labour would be the most reliable single index for categorising the peasantry. (Patnaik, 1976, A-84). The labour exploitation criteria has been considered as more appropriate index of economic class of the household than landholding size by several scholars. Shanin, who is otherwise critical of Patnaik's approach, points out that her analysis is 'significant because hired out / hired in labour index is doubtless central to any attempt to understand the structure and dynamics of capitalism within peasant agriculture' (Shanin, 1980, p.87).

examines the pattern of differentiation on mobility among different classes using labour use criteria.

3.3 LABOUR CLASS MOBILITY

The evidence on the changes in labour use patterns of different classes of households defined on the basis of their labour use practices (the place of the household in relation to hiring in, hiring out of labour and self employment) indicates a slightly different picture of class differentiation and mobility from using land ownership categories.

Labour class mobility matrices constructed for the period 1950-91 are shown in table 3.14 and 3.15. While table 3.14 presents class mobility data in an aggregate manner including both agrarian and non-agrarian classes, table 3.15 presents disaggregated data on class mobility. A notable feature of these two Mobility matrices is the remarkable overall stability or immobility with nearly 2/3 of the sample households (64%) not witnessing any change in their labour use practices and remained in the same class category over the period 1950-91. Aggregate (overall) mobility in terms of the distance measures (which equaled 0.11) was also low. In other words the proportion of mobile households was small and/or the distance moved by them was small. The main contributors for this overall immobility are labour hiring in classes (class I and II) i.e. capitalist farmers, rich peasants, big merchants and relatively higher paid salaried employees who mainly depend upon others' labour. 80% of the

households in class I and 75% in class II did not witness any mobility and remained in the same class between 1950 and 1991. The labour hiring out classes (class V and VI) i.e., poor peasants, labourers, low paid salaried employees also contributed to the overall stability 57.1% of the households in class V held the same

Table: 3.13
Percentage distribution of households by labour class
in 1950, 1969 and 1991.

Class Category	1950			1969			1991		
	A	B	Total	A	B	Total	A	B	Total
Class I	5.3 (4)	1.3 (1)	5.3 (5)	5.3 (4)	1.3 (1)	6.6 (5)	5.3 (4)	2.6 (2)	7.9 (6)
Class II	3.9 (3)	-	3.9 (3)	3.9 (3)	1.3 (1)	5.3 (4)	5.3 (4)	2.6 (2)	7.9 (6)
Class III	9.2 (7)	1.3 (1)	10.5 (8)	9.2 (7)	2.6 (2)	11.8 (9)	9.2 (7)	3.9 (3)	13.1 (10)
Class IV	17.1 (13)	3.9 (3)	21.1 (16)	17.1 (13)	2.6 (2)	19.7 (15)	17.1 (13)	5.3 (4)	22.4 (17)
Class V	14.5 (11)	3.9 (3)	18.4 (14)	13.2 (10)	3.9 (3)	17.1 (13)	14.5 (11)	5.3 (4)	19.7 (15)
Class VI	35.5 (27)	3.9 (3)	39.5 (30)	34.2 (26)	5.3 (4)	39.5 (30)	23.7 (18)	5.3 (4)	28.9 (22)
Total	85.5 (65)	14.5 (11)	99.9 (76)	82.9 (63)	17.1 (13)	100.0 (76)	75.0 (57)	25.0 (19)	100.0 (76)

Note: A=agrarian classes, B= non-agrarian classes. Figures in parenthesis indicate number of households. Class I and II are labour hiring in, class III and IV are self employed and class V and VI are labour hiring out classes. For definition of these classes see table 3.5

class position between 1950 and 1991. Though class VI (labourers) also witnessed a high degree of immobility (63.3% remained in the same class) there is a significant decline in the size of this class and relatively greater upward mobility compared to other classes may be witnessed. There were 30 (39.5%) labourer

households in 1950 and this number has declined to 22 (28.9%) in 1991 (See table 3.13). Of all the 30 households who were labourers in 1950, 19 of them (63.3%) remained as labourers and 11 (36.7%) moved upward with 2 (6.6%) households to class V, 7 (23.3%) to class IV (see table 3.14).

Table: 3.14
Labour class mobility Matrix 1950-1991

1950 Class Category	1991 Class category						Total
	Class I	Class II	Class III	Class IV	Class V	Class VI	
Class I	4 (80.0)	1 (20.0)	-	-	-	-	5
Class II	1 (33.3)	2 (66.3)	-	-	-	-	3
Class III	1 (12.5)	1 (12.5)	4 (50.0)	1 (12.5)	1 (12.5)	-	8
Class IV	-	1 (6.2)	3 (18.7)	7 (43.7)	4 (25.0)	1 (6.2)	16
Class V	-	1 (7.1)	1 (7.1)	2 (14.3)	8 (57.1)	2 (14.3)	14
Class VI	-	-	2 (6.6)	7 (23.3)	2 (6.6)	19 (63.3)	30
Total	6	6	10	17	15	22	76

Note:-Numbers of the columns refer to similar class categories as referred for rows. The figures in rows and columns refer to the distribution of households in 1950 and 1991 respectively. Diagonal terms are in bold type. The figures in parenthesis are the elements of row matrix indicating percentage of distribution of households for 1950. This matrix describes what has happened to household's labour class position during 1950 and 1991. For instance of the 30 labourer households in 1950, 19(63.3%) remained in the same class category in 1991 too. Two households each (6.3%) have moved to class V and III and 7 (23.3%) to class IV

In contrast, the self employed classes who mainly depend upon their family labour (class III and IV) i.e., small and middle

peasants among agrarian class and petty traders, artisans etc. among the non-agrarian classes have witnessed relatively high degrees of mobility. 50% of the households in class III and 43.7% in class IV in 1950 have witnessed mobility and moved into other classes. The downward mobility is slightly greater among these classes than upward mobility. Of the 24 households in these classes 7 (29.2%) have witnessed downward mobility and 6 (25.0%) have witnessed upward mobility. Though the self employed classes have witnessed relatively higher degree of mobility there has not been any marked disintegration of these classes. The self employed classes particularly the agrarian classes of the middle and small peasantry as a category remained constant. There has not been any change in the size of these classes over the period 1950-91. The size of class III has slightly increased from 10.5% of the sample households in 1950 to 13.1% in 1991 but this change resulted due to an increase of non-agrarian households in this category. The proportion of non-agrarian households in class III increased from 10.5% in 1950 to 13.5% in 1991 (see table 3.15).

The size of labour hiring in classes also increased significantly from 10.5% of the sample households in 1950 to 15.8% in 1991. This is mainly due to an increase of the size of non-agrarian households in these classes. The size of non-agrarian classes in class I and II i.e., big merchants, traders and relatively well paid job holders (executive positions like, managers, supervisors etc.) increased from one household

in 1950 to four in 1991. The relatively low nobility and an increase in the size of labour hiring in classes indicates that class consolidation has been taking place among these classes.

Table: 3.15

**Labour class mobility Matrix 1950-91
(Break up by agrarian and non-agrarian classes)**

1950 Class Category	1991 Class category												
	ClassI		ClassII		ClassIII		ClassIV		ClassV		ClassVI		Total
	A	B	A	B	A	B	A	B	A	B	A	B	
Class A I B	3	-	1	-	-	-	-	-	-	-	-	-	4
	-	1	-	-	-	-	-	-	-	-	-	-	1
Class A II B		1	2	-	-	-	-	-	-	-	-	-	3
	-	-	-	-	-	-	-	-	-	-	-	-	0
Class A III B	1	-	-	1	3	-	1	-	1	-	-	-	7
	-	-	-	-	-	1	-	-	-	-	-	-	1
Class A IV B	-	-	1	-	2	-	6	-	3	-	1	-	13
	-	-	-	-	-	1	-	1	1	-	-	-	3
Class A V B	-	-	-	1	1	-	1	-	5	2	1	-	11
	-	-	-	-	-	-	-	1	-	1	-	1	3
Class A VI B	-	-	-	-	1	-	4	2	1	-	16	3	27
	-	-	-	-	-	1	1	-	-	1	-	-	3
Total	4	2	4	2	7	3	13	4	11	4	18	4	76

Note: Figures in rows and columns refers distribution of households in 1950-91 respectively. The sub columns in rows and columns in each class refers, A= Agrarian classes, B= Non-Agrarian classes. This matrix refers what has happened to household's labour class position during 1950-91. For instance of all the five households in class 1 in 1950, four belonged to agrarian classes (two landlords and two capitalist farmers) and one to non-agrarian class (big merchant/moneylender). Of the four agrarian classes three remained in the same class position in 1991 and one moved to rich peasant category. The one non-agrarian also remained in the same class position in 1991 also.

A comparison of class mobility between the earlier (pre-green revolution) and the later (green revolution) period indicates that the degree of overall mobility is lower with more upward than downward mobility seen in the earlier period than in the later period. The values of over all and downward mobility estimated in terms of the distance measure (number of category boundaries crossed) have declined from 0.09 to 0.08 and 0.10 to 0.03 respectively from the earlier to the later period. In contrast the upward mobility has increased from 0.08 to 0.13.

In the earlier period (see table 3.16 and table 3.17) the two extreme classes i.e class I and VI witnessed a relatively high degree of immobility or stability 80% of the households in class I and 76.6% in class VI remained in the same class between 1950 and 1969 also Class II and III also witnessed relative immobility. 66.3% households in class II, 62.5% in class III did not witness any change during this period.

A relatively higher degree of mobility was seen in class IV and V. 56.3% of the households in class IV in 1950 moved into other classes, with 12.5% into class III and 25% to class V and 10.7% into class VI. 50% of the households in class V moved into other categories with most of them witnessing a downward mobility, i.e., into class VI.

A striking feature in the earlier period is that there was not any perceptible change in the size of each class. The

Tables 3.16
Labour class mobility Matrix 1950-60.

1950 Class Category	1969 Class category						
	Class I	Class II	Class III	Class IV	Class V	Class VI	Total
Class I	4 (80.1)	1 (20.0)	-	-	-	-	5
Class II	1 (33.3)	2 (66.3)	-	-	-	-	3
Class III	-	1 (12.5)	5 (62.5)	1 (12.5)	1 (12.5)	-	8
Class IV	-	-	2 (12.5)	7 (43.7)	4 (25.0)	3 (18.7)	16
Class V	-	-	1 (7.1)	2 (14.3)	7 (50.0)	4 (28.6)	14
Class VI	-	-	1 (3.3)	5 (16.6)	1 (3.3)	23 (76.6)	30
Total	5	4	9	15	13	30	76

Note: This matrix is to be read in a similar way as table 3.14

Table: 3.17 Labour class Mobility Matrix 1950-69
(Break up by agrarian and non-agrarian classes)

1950 Class Category	1969 Class category												
	ClassI A B		ClassI A B		ClassIII A B		ClassIV A B		ClassV A B		ClassVI A B		Total
Class A I B	3	-	1	-	-	-	-	-	-	-	-	-	
	-	1	-	-	-	-	-	-	-	-	-	-	1
Class A II B	1	-	2	-	-	-	-	-	-	-	-	-	3
	-	-	-	-	-	-	-	-	-	-	-	-	0
Class A III B	-	-	-	-	4	1	1	-	1	-	-	-	7
	-	-	-	1	-	1	-	-	-	-	-	-	1
Class A IV B	-	-	-	-	1	-	5	-	4	-	3	-	13
	-	-	-	-	1	-	1	1	-	-	-	-	3
Class A UB	-	-	-	-	-	-	1	-	5	1	3	1	11
	-	-	-	-	-	1	1	-	-	1	-	-	3
Class A VI B	-	-	-	-	-	-	3	1	-	-	20	3	27
	-	-	-	-	1	-	1	-	-	1	-	-	3
Total	4	1	3	1	7	2	13	2	10	3	26	4	76

Note: This matrix is to be read in similar way as table 3.15

Table:3.18 Labour class Mobility Matrix 1963-1991.

1969 Class Category	1991 Class category						Total
	Class I	Class II	Class III	Class IV	Class V	Class VI	
Class I	5 (100.0)	-	-	-	-	-	5
Class II	1 (25.0)	3 (75.0)	-	-	-	-	4
Class III	-	2 (22.2)	5 (55.5)	1 (11.1)	1 (11.1)	-	9
Class IV	-	-	3 (20.0)	8 (53.3)	2 (13.3)	2 (13.3)	15
Class V	-	1 (7.7)	1 (7.7)	2 (15.4)	7 (53.8)	2 (15.4)	13
Class VI	-	-	1 (3.3)	6 (20.0)	5 (16.6)	18 (60.0)	30
Total	6	6	10	17	15	22	76

Note: This matrix is to be read in similar way as table 3.14

**Table: 3.19 Labour class nobility matrix 1969-91
(Break up by agrarian and non-agrarian classes).**

(Break up by agrarian and non agrarian classes):													
1969 Class Category	1991 Class category												
	ClassI		ClassI		ClassIII		ClassIV		ClassV		ClassVI		Total
	A	B	A	B	A	B	A	B	A	B	A	B	
Class A I B	3	1	-	-	-	-	-	-	-	-	-	-	4
	-	1	-	-	-	-	-	-	-	-	-	-	1
Class A II B	1	-	2	-	-	-	-	-	-	-	-	-	3
	-	-	-	1	-	-	-	-	-	-	-	-	1
Class A III B	-	-	1	-	4	-	1	-	1	-	-	-	7
	-	-	1	-	-	1	-	-	-	-	-	-	2
Class A IV B	-	-	-	-	1	1	5	2	2	-	2	-	13
	-	-	-	-	-	1	-	1	-	~	-	-	2
Class A V B	-	-	-	-	1	-	2	-	4	1	2	-	10
	-	-	-	1	-	-	1	-	-	1	-	-	3
Class A VI B	-	-	-	-	1	-	4	-	2	1	14	4	26
	-	-	-	-	-	-	-	1	2	1	-	-	4
Total	4	2	4	2	7	3	13	4	11	4	18	4	76

Note: This matrix is to be read in a similar way as table 3.15

proportion of households in each class remained almost constant, In the later period (see table 3.18 and table 3.19) it is observed that there has been an increase in the immobility among labour hiring in classes (class I and II). All the households in class I and 75% in class II did not witness any change in their class position over the period 1969-91. Households in class IV also witnessed a high degree of immobility compared to the earlier period.

An important change during this period is that there has been a significant increase in the mobility among labourers (class VI) compared to the earlier period. 40% of the households in this class as against 23.4% in the earlier period witnessed mobility and moved into other classes. A sharp decline in the size of this class also indicates that there has not been any trend towards proletarianisation.

Another important change during this period is an increase in the size of non-agrarian classes. The proportion of non-agrarian classes increased from 17.1% in 1969 to 25% in 1991.

The decline in the mobility of households belong to labour hiring in classes (classes I and II and an increase in the mobility of labour hiring out classes (class V and VI) indicates that the green revolution and other changes during the period 1969-91 seem to have paved the way to Increase the opportunities for the poor to improve their position, while the rich classes consolidated themselves.

An overview of labour class matrices reveals a high degree of immobility or stability in the labour use practices of the sample households over the period 1950-91. The major contributors for this immobility are labour hiring in classes. The degree of immobility has been increasing among these classes particularly after the green revolution period. The labour hiring oat classes also contributed to the over all immobility in varying degrees. In contrast, the self employed classes witnessed relatively high degree of mobility. On the whole, the trend suggests that while labour hiring in classes are slowly consolidating their position, the other classes are witnessing mobility in varying degrees with low mobility among pure labourers and high mobility among self-employed classes. The overall upward mobility is greater than downward mobility.

3.4 REASONS FOR MOBILITY

An attempt to find out the causes for mobility among different classes is fraught with several difficulties. It is quite often the case that several factors, both internal (demographic factors), and external (market, state etc.) simultaneously work together to influence the pattern of mobility of a household. It is not always easy to measure the relative importance of the effect of different factors on the mobility of a household. Based on the detailed qualitative information on the history of mobility of each household, an attempt is made to identify the primary and the most important reason for the change in class position of each household.

The reasons for mobility are grouped into four broad categories i.e. Demographic factors, Market (economic) factors, Government interventions and Other factors.

Demographic factors: Demographic factors include the changes in consumer and worker ratios and what Shanin (1972) refers to as substantive changes which includes household partition, merger extinction etc.

Market factors: Changes in land, labour, product and credit market relations.

Government interventions: The impact of government intervention is examined through its various policies i.e. various land reform measures, credit extension programmes, crop procurement policies and various other welfare interventions like food subsidy, housing schemes, old age pensions, reservation policies in education, employment and electoral bodies etc, which have a direct or indirect impact on the mobility of individual households.

Other factors: Impact of nature and ecological conditions. personal reasons like alcohol addiction, major illness, ceremonial expenses etc.

The mobility matrix constructed for the whole period (1960-91) indicates that of all the 76 sample households only 32 (42.1%) of them have witnessed mobility. Out of three 21 of them (66.7X) witnessed upward mobility and 10 (31.2%) witnessed downward mobility. among the reasons for the mobility the non-demographic factors such as market and government

interventions seem to play an important role in one way or the other in determining the mobility of a household. Few cases can be attributed to what Shanin refers as substantive changes, especially the impact of partitioning of households.

Mobility from, class I to II (from 'landlord' to 'rich peasants')

One case of downward mobility resulted mainly due to the partitioning of a huge Joint family. The father of the present household had owned 65 acres of land in 1950. He had five sons and one daughter. This family was considered as one of the biggest employers of labour in 1950. It used to employ four or five attached labourers and also used to lease out of its land. The family members did not participate in agricultural operations. This was the only family which can be classified as landlord in the sample households of 1950. This family was partitioned in 1969 Just before the government of Andhra Pradesh passed the Land Ceiling Act. The decision to partition was mainly to avoid the loss of land under the Act. The present head of the household had got 13 acres as his share. In 1973, he sold 2 acres of land to finance house construction. In 1979 he gave 4 acres of land as a dowry to his elder daughter. Now he owns 7 acres of land and a big house. He is well educated and also actively involved in local politics. He cultivates his 7 acres of land and also leased in 4 acres which was given to his daughter, with the help of hired daily wage labour. He also occasionally participates in some of the agricultural operations in his own farm.

Mobility from, class II to I (from 'rich peasant' to 'capitalist farmer' class)

There is one case of upward Mobility. This family owned 9 acres of land in 1950 and was involved in tobacco cultivation. It earned good profits in tobacco cultivation and invested this amount to increase its ownership of land. It purchased 6 acres of land in early 60's. This family was also involved in small scale lending. In the early 70's this family again benefited and saved a lot of money from cotton cultivation. One of the family members (second son) is employed as a government servant in Hyderabad.

The income from money lending, cotton cultivation and remittances from the salaried member was invested in buying a tractor in 1974. This family was partitioned in 1976. The present household head (eldest son) got 7.5 acres of land, tractor and one house as his share. Since 1976 he has been leasing out four acres of his brother's land (his brother got 7 acres of land after partition. He sold 3 acres of land to invest in an urban property). Now the present household cultivates 11.6 acres of land and depends entirely on hired labour. The family members do not participate in agricultural operations.

Mobility from class III to I (from 'middle peasant' to 'commission merchant' and 'capitalist farmer')

Two cases of upward mobility among middle peasants resulted mainly due to non-demographic factors. One became a cotton commission merchant and another turned into a capitalist farmer. The family which moved to class II (commission merchant) owned 6 acres of land in 1950. It also engaged in tenancy by leasing in 3

or 4 acres every year. The father of present household head had three sons and one daughter. The family consisted of 4 working members and dependents in 1950. All the working members of the family used to participate in the cultivation. With the savings from cultivation (mainly through tobacco) it purchased 3 acres of land in 1963. The eldest son (the head of the present household) started working as a cotton commission dealer (middleman between urban traders and farmers) from early 1970's while his two brothers engaged in cultivation. Within a short duration (4 or 5 years) the eldest son became one of the leading commission merchants in the village and made a lot of profit. At this time there was a problem within the family. His brothers started complaining that he was not contributing his full income to the family. The eldest son insisted upon partition of the family. In 1976 the family was partitioned and the eldest son got 3 acres of land as his share.

With the savings from the commission business and a loan from a bank, he opened a small fertiliser shop in 1980. He continued in this business for about 7 years in which period he did small scale independent trading apart from working as a commission agent for urban traders. He sold fertilisers and pesticides to small and poor peasants on credit basis insisting that they sell the harvest only to him. In this way he could save lot of money. In 1987, he gave up the petty business in fertilisers and invested it in the real estate business at Chilakaluripet. Now he owns a small building and a house site worth Rs.3.5 lakhs. He cultivates his

land with hired labour and neither he nor his family members participate in agricultural operations. The primary reason for the mobility of this family is due to its involvement in trading and business.

The capitalist farmer household which came from the middle peasant class owned 7 acres of land in 1950. Till 1975 there had not been much change in the economic position of this family. In 1975 the family migrated to Raichur district of Karnataka to take up large scale cultivation because of low land rates, low leasing rates, and availability of cheap labour force. It sold 4 acres of land for Rs 1,10,000 and purchased 15 acres (Rs 5,000 per acre) in Raichur. Owing to good profits in cotton cultivation, within a span of 5 years, the family purchased 20 acres of land. Now this family is residing at Raichur. It owns 35 acres in Raichur and 3 acres in Palaparru and also one tractor. Till recently the family members used to participate actively in own farm cultivation. Now they have stopped working and started depending totally on hired labour. This family also employs one person to supervise the labour and look after the cultivation

Mobility from, class III to IV and V (from 'middle peasant' to 'small and poor peasant' class)

There are two cases of downward mobility which were mainly due to partition of households. One household moved on to the small peasant and another moved to the poor peasant category. It owned 8 acres of land and consisted of 4 working members and two dependents in 1950 (husband, wife and four c h i l d r e n) . T i l l the

partition in 1972, this family almost fully depended upon its members' participation. The present household head got 3 acres (8 acres distributed among two brother and parents) of land as his share. The present household maintained its middle peasant status for some time after the partition, but, slowly started engaging in work as agricultural labour also as the size of the family has grown by including two additional working members (one son and one daughter). With the savings from cultivation the daughter's marriage was performed in 1986. Since 1986, there has not been any change in its labour use pattern.

The household which moved to poor peasant category also experienced a similar downward mobility due to partition of the family. The father of the present household owned 7 acres of land in 1950. It had purchased 1 acre of land by 1960. At the time of partition in 1963, the present household head got 4 acres as his share. This household got partitioned again in 1966. at the time of partition the present household got 1 acre of land remaining three acres were equally distributed among his two sons. Now this family works more on other's land than on their own.

Mobility from class IV to III and II (from 'small peasant' category to 'middle peasant' and 'rich peasant' category)

There are three cases of upward mobility in this category. Two of them moved to the middle peasant and one moved to the rich peasant category.

partition in 1972, this family almost fully depended upon its members' participation. The present household head got 3 acres (8 acres distributed among two brother and parents) of land as his share. The present household maintained its middle peasant status for some time after the partition, but, slowly started engaging in work as agricultural labour also as the size of the family has grown by including two additional working members (one son and one daughter). With the savings from cultivation the daughter's marriage was performed in 1986. Since 1986, there has not been any change in its labour use pattern.

The household which moved to poor peasant category also experienced a similar downward mobility due to partition of the family. The father of the present household owned 7 acres of land in 1950. It had purchased 1 acre of land by 1960. at the time of partition in 1963, the present household head got 4 acres as his share. This household got partitioned again in 1986. At the time of partition the present household got 1 acre of land remaining three acres were equally distributed among his two sons. Now this family works more on other's land than on their own.

Mobility from class IV to III and II (from 'small peasant' category to 'middle peasant' and 'rich peasant' category)

There are three cases of upward mobility in this category. Two of them moved to the middle peasant and one moved to the rich peasant category.

The two cases of mobility to the middle peasant category seem to be mainly due to demographic factors in one case, and tenancy factor in another case. In one case the household head is the only son of his father. This household owned 4 acres of land in 1950. The father of the present household head inherited 2 acres of land at the time of partition in 1969. He had one son and one daughter. With the income from land and wage labour he purchased 1 acre of land in 1978. He died in 1983. His son, who has a B.A. degree did not get any job. He inherited 3 acres from his father and is cultivating the land now. Now this family does not engage in wage work at all. This is because they have sufficient work in their own farm and also partly due to the status problem. The present household head feels that as he is educated, he might lose his social status if he works as a wage labour.

In another case, the household improved its economic status mainly due to its involvement in tenancy. The father of the present household head owned two acres of land in 1950. He had two sons and two daughters. He used to lease in 2 or 3 acres of land from a migrant family every year. All the family members used to participate actively in own farm work and wage labour work as well. With the income from cultivation and wage work it purchased two acres of land in 1965. At the time of partition in 1972 the eldest son (present household head) got 2 acres of land as his share. From 1982 to 1987 he had leased in 3 acres of land. With the savings from cultivation he purchased 2 acres of land in 1986. This family temporarily migrated to Raichur to take up

large scale cultivation in 1990. For three years they stayed there. During this time they used to lease in 10 to 15 acres of land in Raichur and leased out their land in Palaparru. They came back to Palaparru in 1993 and purchased one acre of land. How this family cultivates 5 acres of its own land and leases in one acre of land. The family members have sufficient work on their own farm. They do not participate in wage work but occasionally involve themselves in exchange labour.

The household which moved to the rich peasant category benefited from the government subsidized credit scheme. This family had very close contacts with the village panchayat president and local politicians. The present household head was an active member of the congress party. With the help of his contacts with local congress politicians he could obtain a big subsidized loan from the government to buy a tractor in 1976. Buying a tractor was the turning point for this family. It has got substantial income from hiring out the tractor. With the income from the tractor it purchased 4 acres of land. The tractor was sold in 1984 and this money was invested in buying a medical college seat for one of its members (second son of the present household head). Now this family owns 6 acres of land and mostly depends upon hired labour for its cultivation. The family members do not engage in wage work as they used to in the past.

Mobility from class IV to III and V (from 'artisan' to 'salaried' and 'poor peasant')

There is one case of upward and one case of downward mobility. The household which moved to the salaried category belongs to the barber community. The father of the present household was doing barber work in the village. As the income from barber work started declining he decided to migrate out of the village. In 1974 he moved to Pedanandipadu and started a barber shop there. His second son (the present household head) got a government job as a school teacher and is staying in a nearby village. The household which moved from artisan to poor peasant category belongs to the potter community (Kummari caste). Till 1970 it was involved in pot making which was the main source of income. As the demand for clay pots declined, it stopped pot making and shifted to agricultural wage work. It owns 0.75 acres of land. How this family mostly engages in agricultural wage work.

Class IV to V and VI (from 'small peasant' to 'poor peasant' and 'labourer' category)

There are four cases of downward mobility among the small peasant category. Two have resulted mainly due to demographic factors. The other two have witnessed the downward mobility due to a major illness of one of the family members in one case and heavy losses in tenancy cultivation in another case.

The two households which have moved to the poor peasant category had several children and witnessed downward mobility due to the partitioning of the household. One household owned three

acres of land in 1950. The head of the household in 1950 had three sons and three daughters. He sold one acre of land to meet the expenses of his daughters' marriage. The present household head (second son) inherited half an acre of land from his father. Now this family engages mostly in wage labour. The second household owned two acres and a pair of bulls in 1950. This family also used to lease in a small amount of land. At the time of partition the present household head (second son) got the pair of bulls as his share. After the partition he started leasing in a small amount of land (half to one acre). He has purchased 3/4 acres of land in 1986. Now the family is mainly dependent on wage labour. The other household which moved to the poor peasant category suffered due to a major illness of one of the family members. It had to sell one acre out of the two acres that it owned to cover the medical expenses.

The household which moved to the agricultural labourer category sold all its property and migrated to Raichur to take up large scale tenancy cultivation. It suffered from heavy losses in cotton cultivation and lost all the money it had invested in it. It has moved from Raichur to another place (urban centre) and its members started working as daily wage labourers.

Mobility from, class V to IV. III and II (from 'poor peasant' to 'small, middle peasant and rich peasant' category.)

There are three cases of upward mobility among poor peasants. One each moved to small peasant, middle peasant and rich peasant

category. Two of them because of supporting income from non-agrarian sources and one due to demographic reasons.

The household which moved to small peasant category had 1/2 acre of land in 1950. It was also engaged in leasing-in of a small amount of land (1/2 to 1 acre). With the income from land and wage work it purchased 1 acre of land in 1978. The present household head is the only son to his father. He inherited 1.5 acre from his father. Now this family cultivates 2.5 acres (1.5 acre of their own and one acre leased-in land). The members of this family engage mostly in their own work and go for wage work occasionally. The important reason for mobility of this family seems to be the having of a single child.

The family which moved to middle peasant category could improve its economic position mainly because of supporting income from non-agrarian activities. The father of present household head was a small tenant in 1950 and did not own any land. His wife used to work as a daily wage labourer in a tobacco company in Uppalapaduvillage situated 5 k.m. away from Palaparru. His wife saved a little money from her wage work and purchased four sheep in 1963. One of their sons became a cycle mechanic and opened a cycle repair shop in the village. With the savings from sheep rearing, mechanic work, they purchased 3 acres of land and a bullock cart. This family also encroached on 0.75 acres of government waste land. At the time of partition in 1981 the present household head got 2 acres of land as his share. He sold

away his bullock cart to expand his cultivation. Since 1985 he has been leasing in 3 acres of land from a migrant family. How this family does not participate in wage work at all, but involves itself in exchange labour occasionally.

The family which moved on to the rich peasant category has a rather unusual story of successful economic mobility. The father of the present household head owned 3 acres of land in 1950. He had three sons. One son (present household head) quarreled with his father and left the family in 1963. He worked in a hotel for some time in Guntur town. He slowly shifted to petty business i.e. selling vegetables. He married a relatively rich widow who owned a small canteen in Guntur. The income from canteen was used to finance small scale money lending. In 1984 his wife died under suspicious circumstances. The local people suspected that he killed her. He found it very difficult to run the canteen and the money lending business. He sold all his property and purchased 7 acres of land and a small house in Palaparru. Now he stays in Palaparru. His two children are studying in towns. He cultivates his land with the help of hired labour.

Mobility from, class V to VI (from 'poor peasant', 'petty trader' to 'labourer' category')

There are two cases of downward mobility. The household which moved from poor peasant to agricultural labour category witnessed downward mobility due to major illness and alcohol addiction of the household head and ceremonial expenses. In one case the tenant was evicted, in another case land was sold due to head of the household's alcohol addiction.

The downward mobility of a family which moved from petty trader to non-agricultural labour resulted due to household partition. The father of present household was a petty vegetable vendor. He had two sons, and the elder son took over his father's business. The second son (present household head) . moved to the town in search of wage employment. Mow he is staying in a nearby town and working as a daily wage labourer in a cotton ginning mill.

Mobility from class VI to V, IV and II (from 'labourer' to 'poor, small and middle peasant', 'small merchant' and 'salaried' category)

There are 11 cases of upward mobility among the labourer category. One moved to the poor peasant category, five moved to the small peasant and one moved to the middle peasant category. Three of them have moved to non-agrarian activities. Two became petty traders and another became a low paid government employee.

Of the 11 cases 5 clearly benefited from various government anti-poverty programmes. In one case, the household got one acre of land from the government. The Scheduled Caste finance Corporation gave a huge subsidised loan to this family to buy land. In two cases, the families were benefited by subsidised credit for cattle and petty business under the government's Integrated Rural Development Programme (I.R.D.P.). In one case. the family encroached upon 1/2 acre of government waste land. In another case, the government reservation policy helped one of the family members to get a government job.

In one case, the upward mobility of the labourer to the poor peasant category resulted due to leasing in of a small amount of land. In recent years, the capitalist farmers and rich peasants in the village prefer to lease out small amount of land to agricultural labourers to ensure secured labour supply. In this case, the household does not own any land, but is categorised as poor peasant because of their involvement in the leasing market.

In the three cases of upward mobility, the main reason seems to be the availability of supplementary income from non-agrarian sources. There are two cases of upward mobility to the small peasant category where the households managed to purchase a small amount of land (1 acre or 2 acres) mainly through their savings from non-agrarian wage income and live stock rearing.

To sum up, the reasons for upward or downward mobility of households indicates that, the non-demographic factors such as market and government interventions are more important causes for influencing upward mobility, involving 20 out of 22 cases of upward mobility. Of all the 20 cases of upward mobility, 14 of them are influenced in one way or another by market factors (direct or indirect influence of commercialisation and the green revolution) and 6 cases are influenced by various policies of the government. While the market factor plays an important role in influencing the upward mobility among the rich peasant and middle peasant categories, government intervention is the most important factor for upward mobility among the labour category.

Bon-demographic factors, mainly the impact of market, also played an important role in influencing downward mobility, involving 5 out of 10 cases of downward mobility.

The impact of demographic factors on upward mobility is very insignificant. Of the 22 cases of upward mobility, only two of them are influenced by demographic reasons (having a single male child). However demographic factors, mainly the Influence of partition, seems to be a very significant factor in causing downward mobility. Of the 10 cases of downward mobility, 4 of them resulted from the partitioning of households. The partition factor has mostly had the effect the downward mobility.

On the whole the data on the impact of different factors on upward and downward mobility of different classes suggests that, while the market factors have mostly had the effect of polarising (increasing differentiation), government interventions particularly various welfare programmes have mostly had the Impact of levelling down. The demographic factors have contributed equally to both levelling down and polarising trends.

What do these trends signify? the fact that a majority of the sample households did not witness any mobility in their class position and remarkable stability or immobility of the two extreme classes i.e. labour hiring in (class I and II) and hiring out (class V and VI) classes suggest that the Chayanovian thesis of *cyclical or multidirectional* mobility as the chief characteristic

of peasantry is not quite relevant to the study area. *Cyclical* or multidirectional mobility is not a permanent feature. The peasant households have a tendency of moving upward and downward in their economic positions during their family's biological life cycle. These classes which have witnessed some degree of multidirectional mobility in Palaparru are mainly the self employed classes (middle and small peasants and non-agrarian self employed classes). But the mobility among these classes can not be totally attributed to demographic factors (changes in consumer and worker ratio, substantive changes i.e. partition, merger, extinction, out migration, immigration) and government redistributive measures as suggested by Chayanov and recently by Attwood (1979) and Harriss (1991).

However, the evidence from Palaparru also does not give a clear indication whatsoever that there has been any clear trend towards increasing polarisation and differentiation of classes into two extremes i.e. labour hiring in and hiring out classes resulting from the disintegration of middle classes as suggested by Lenin and his followers. There is some evidence that both the labour hiring in and hiring out classes are consolidating but this trend is more clearly observed in the labour hiring in than hiring out classes. The fact that there has been a decline in the proportion of labour hiring out classes, particularly the pure agrarian labourer class and considerable degree of upward mobility among these classes, mainly due to state intervention and the direct or indirect impact of the green revolution, suggest that

the green revolution in the study area has not intensified the trend towards proletarianisation in the sense of increasing the size of the labour class. Despite the fact that there has been some nobility among the middle classes who are mainly dependent upon their family labour, there has not been any marked disintegration of these classes. The middle classes particularly the agrarian classes of middle and small peasantry as a category remained constant (there has not been any significant change in the proportion of these households between 1950 and 1991).

The evidence thus far seems to reinforce the views of Kautsky (1899) and his followers where a synthesis between the Leninist and Chayanovian schools of thought may be found. These scholars (Banaji, 1977; Harriss, 1982, 1989; Athereya et al, 1990) maintain that capitalist development can occur along with the viability of small scale peasant production through the self exploitation of individual members, urban remittances, through new forms of exchange relations with merchants or agro-business companies and increasing relations with the state .

But the analysis of differentiation and mobility as a social process calls for more than a simple quantitative analysis of mobility matrices which only estimate the changes in the proportion of different classes and mobility among these classes. Hence the analytical usefulness of Leninist, Kautakian and Chayanovian models of agrarian change can not be reduced to simple analysis of changes in class structure and mobility. The

quantitative analysis of changes in class structure and Mobility does not adequately reflect important qualitative changes in class relations (relationship between different classes i.e. labour and employer, merchant/moneylender and small and middle peasants etc.) which have occurred with the development of agrarian capitalism in the study area. For instance they mask the changes in the nature of labour arrangements between labourers and employers and changes in bargaining power between small, middle peasants and merchants/money lenders. Hence a agricultural labourer and small or middle peasant today are not subject to the same contractual obligations as those present in 1950. The following three chapters are devoted to the discussion of the changes in the nature of relations between different classes that have taken place since 1950.

CHAPTER4

Changing Labour and Employer Relations 1950-91

The nature of relationship between labourers and employers had undergone significant changes since 1950 in Palaparru. The substantial employers of labour power in any agrarian society, being the landlords or capitalist farmers and rich peasants, the discussion of the term employer, in this chapter primarily refers to these classes (households belonging to Class I and Class II in the labour class classification schema). The term labourer primarily refers here to those who depend mainly on their (households belonging to class V and VI) labour power for their livelihood. The most significant development that has taken place in the relationship between labourers and employers in Palaparru has been the decline of unfree relationship. This is reflected in the virtual disappearance of the system of *jeetham* a kind of attached labour arrangement which existed in the early 1950s in Palaparru. This was replaced by the growth of relatively more free daily wage and contract arrangements with different terms and conditions.¹

1 A free labourer is one who is free from constraints arising out of extra-economic factors. A non-free labourer is one who is prevented by extra-economic coercive forces to sell his labour power to the employer of his choice. Daniel Thorner has given lucid explanation about the distinction between free and unfree labour. He defined a free labourer as one:

who is able to accept or reject the conditions and wages offered by the employer. If he wishes he may refrain altogether from working. Once having taken a job he can decide to give notice and quit. Economic stringency may indeed compel a free labourer to agree temporarily to terms he does not consider favourable. But his basic right to refuse to work or to seek alternative employment remains uncompromised. An unfree, or bond labourer, by contrast is one whose bargaining power is virtually non-existent, or has been surrendered. Such a labourer

The present chapter examines the nature of changes that had taken place in the relationship between labour and employers during 1950-91. It is divided into five sections. Section one and two describes the types labour arrangements and living conditions of labourers in the early 1950s. Section three four and five examines changes in labour arrangements and living conditions of labourers and factors which contributed for these changes.

4.1 TYPES OF LABOUR ARRANGEMENTS IN THE EARLY 1950S

The following types of labour arrangements were found in Palaparru in the early 1950s.

4.1.1 System of *Jeetham*

Despite the growth of a relatively high degree of commercialisation in agriculture and the rise of a new class of peasantry which had taken up cultivation on commercial lines in the first half of this century mainly due to the introduction of commercial crops like F.C.V. tobacco in the study area . one could notice a significant portion of agricultural labourers who were either fully or partially tied to their employers in one ear or the other.

does not possess the right, or has yielded the right to refuse to work under the terms set by his master. Through customs, compulsions, or specific obligation, the bond labourer is tied to his master's needs. He can neither quit nor take up work for another master without first receiving permission (Thorner, D.1962).

² see chapter 2, section 2.1.

The system of attached labour as it existed in Palaparru in the early 1950s was known as Jeetham. The literal meaning of the Telugu word *Jeetham* is 'salary' and a person who is engaged under this system is called as Jeethagadu which means a person who works for fixed salary³. In this system an agreement is reached between the labourer and the employer where the labourer agrees to work full time for his employer for a fixed period on a fixed payment either in cash or in kind.

The system of *jeetham* as it existed in Palaparru was quite different from the traditional bonded labour system.⁴ In the *Jeetham* system there was no hereditary bonded relationship between the *jeethagadu* and his employer. He had the opportunity or chance to withdraw himself from the *jeetham* relationship as in most of the cases the loan amount given to him could be liquidated with his payment. The system of *jeetham* was also different from the system of attached labour which was prevalent in other parts of Andhra Pradesh particularly in the Telangana region in the first half of this century. It was noticed that the system of attached labour as existed in the Telangana region in the pre-independence

3 Though the literal meaning of the term *jeethagadu* is 'salaried person', it is used only for manual agricultural labourers, but not for the salaried persons in non-agrarian occupations.

Hereditary nature of bondage is one of the important feature in traditional bonded labour system in India. Describing the bonded labour system in the 19th century. Saldanha writes:

neither the nature of work nor the hours of work were specified (and) the labourers were kept in subjection by sexually oppressing their women and by inflicting physical torture on both men and woman labourer's families too were attached to the master, and bondage was hereditary (Saldanha, 1989, p. 1122).

period was highly exploitative in nature which partly gave rise to the famous Armed Peasant Struggle under the Communist party in the late 1940s (Dhanagare, 1983, pp 198-210). Describing the system of attached labour in Telangana area under the Nizam's rule, Shanta Sinha writes;

the system of extraction of free labour as it was prevalent in Nizam period in Telangana was an arrangement by which members of the Scheduled Caste community worked as farm servants under the landlord and his entire family was tied to the landlord for whom they had to provide various services by way of labour on land and household duties. This arrangement was usually termed as 'vetti' or 'begar'. The relationship was of complete dominance by the landlord over his farm servants. There was no payment in cash and the farm servants had to work for the landlord merely by virtue of belonging to a particular community. In return; the landlord also maintained certain traditional norms such as advancing credit for performing marriages, permitting the use of facilities like bullocks for cultivation of a piece of land, also usually donated by the landlord. The entire relationship was strongly reinforced by the tradition of caste structure and enforced by the use of violence. The farm servant's total dependence on his employer for his livelihood ensured the implicit compliance of land lord orders. The use of violence was common sad routine. The degree of violence involved in the punishment depends less on the seriousness of the lapses committed by the farm servants than on the mood of the landlord. The provocation for the use of violence could be negligence of work, alleged theft or even more absence from work. Occasionally farm servants were also killed for imaginary lapses on their part. In spite of this there was never any, open questioning of the use of violence at the village level. In fact, violence against farm servants was viewed as a legitimate prerogative of the landlord class. The use of violence by the landlord was not weapon to be used as a last resort. It was practiced with regularity and at the slightest provocation. Even the vocabulary used in transacting the day to day relations with farm servants was full of inventive and generous use of metaphors of violence (Shanta Sinha, 1992 pp.106-109).

The attached labourer in Palaparru was more free and the terms and conditions of bondage were less exploitative in nature compared to the position of attached labourers in the Telangana region. The attached labourer in Palaparru had certain privileges and rights which were denied to the attached labourer in the Telangana region. In many respects the system of *jeetham* as it existed in Palaparru can be compared the present day system of *jeetham* in Telangana area (Margaret Robinson, 1985; Shanta Sinha, 1992).

Terms and conditions of *jeetham*.

Credit relationship between the employer and the labourer forms one of the important aspect of the entire agreement of *jeetham*. Under this agreement the labourer who takes loan from his employer agrees to work full-time until the repayment of that loan amount. In Palaparru village the amount of loan (used to be) usually ranged from Rs.100 to 1000. The elder male labourer (*pedda jeethagadu*) who was between the age group of 26 to 46 used to get larger amount of loans and the young and the child labourer (*chinna jeethagadu*) who was below 25 years used to get smaller amounts of loans. The salary paid to the labourers annually under this agreement also varied. The *pedda jeethagadu* to get higher payment ranging from Rs. 300 to Rs. 400 yearly, while the younger people between the age group of 16 to 26. 296 to Rs. 300 and the child labour used to get Rs.50 to Rs.75. Generally the duration of the agreement was for one year and a fresh agreement was reached at the end of every year (normally at the

time of Telugu New Year i.e. *ugaadi* day) and it continued till the repayment of the loan amount.

Attached labour was normally obtained by giving a loan to the head of the household of the prospective labourer. The household head may be the labourer himself or the labourer's father or close relative. The loan was taken by the labourers for a variety of needs. Viz. marriage, subsistence, purchase of live-stock, payment of interests on previous loans and etc. In most instances it is very difficult to delineate the reasons for these loans. As Margaret Robinson notes in her study on a village in Telangana region, usually several contingencies arise before a person takes a loan and agrees to work as an attached labourer. She states:

A man whose bullock dies may use his stored paddy towards financing another. Two months later he takes a loan for which his son becomes an attached labourer. When asked the purpose of the loan, he may say he has taken it to buy grain or he may say he has taken to purchase a bullock. Also when he receives the loan, he is likely to spend some of it on grain and some on other things ranging from paddy to interest on previous loans. Often it is not possible to isolate a specific reason for the loan which has led to employment as attached labourers. However loans are sometimes taken and used for particular purpose usually for marriage (Robinson 1985, pp 106).

Once the labourer accepts to become attached labour under this system of *jeetham* he has to work full time and should do whatever work his employer asked him to do and obey the orders given to him. The attached labourer was employed to work mainly in the fields but his work also include cattle herding, guarding fields, carrying loads, domestic work in the employers house, etc. working hours per day vary by season but at least twelve hours a

day (fourteen to sixteen hours during peak seasons) was mandatory.⁵ Attached labourers can be called to work at any time of the day or night. They were not allowed to work for another employer and they can not leave the village without the master's permission. Failure to carry the orders of the employer were met with severe punishments, often resorted to physical violence against the attached labourer. They were subjected to ill-treatment.

The labour had to work for the particular employer until he repaid the amount from whom he had taken as loan. Usually in Palaparru no interest was charged on the loan amount but there were instances of employers insisting upon interest particularly when problems arise between the two parties and if the labourer wanted to discontinue the work without the willingness of his employer. The sole purpose of the employers in giving these loans was primarily to bind the labourer and not to collect interest.

The attached labourer stayed in the employer's house or in the employer's *kostam* (the place where cattle and fodder are kept). He was given food thrice a day and given two pairs of clothes every year. He was also given small amounts of money to buy cigars and beedies if he smoked and allowances during festivals (for drinking alcohol, entertainment etc.). It was not very difficult for the

⁵ The day to day routine work of *jeethagadu* was as follows. He wakes up early in the morning around 5 to 5.30 a.m. and works till 8-9 p.m. in the night with short intervals about 90 minutes each for morning, afternoon and dinner meals.

attached labourer to repay the loan through his work within a few years and come out from the bondage if he so wished, unless his loan amount was big or if he took additional loans while he was working. Once the loan amount was repayed the attached labour had the freedom to change the employer or discontinue the agreement with his employer and work as daily wage labour.

The family members of the attached labourers usually worked for the same employer. They were paid daily wages on par with the rates in the labour market. It was common with low caste attached labourers that the wife or other female members of the family were expected to do the domestic work in employer's house. For these services they were paid in kind through gifts such as vegetables, left over food, pickles etc.

Caste and attached labour

Though the labourers of other castes including the dominant peasant caste Kamma were also engaged as attached labourers, it was the *Harijans* (the Mala and the Madiga castes, officially classified as Scheduled Castes) who were more prone to this kind of bondage. A large portion of the attached labourers in the early 1950s in Palaparru hailed from Mala and Madiga castes. Janaki Rama Rao a local historian estimates that there were about 70 to 80 attached labourers in Palaparru village in 1950. A large percentage of them belonged to the Mala and the Madiga castes. Their number was approximately around 40 to 45. The remaining were from the other castes. There were about 5 attached labourers

who belonged to the Kamma caste also. Nearly 80% of them were from the same village and remaining were those who migrated from other areas (Janaki Rama Rao, 1994). Lower castes especially Mala and Madiga caste persons were preferred as attached labourer as they were thought to be more obedient and hard working than the other castes. Yerukala and Yanadi the two other lower castes were not preferred as attached labourers though they were more obedient than the Mala and the Madiga castes. It was thought that they were not as skilled as Mala and Madiga to do the work in the fields.⁶

There was a clear distinction between Scheduled Caste (S.C's) and other caste attached labourers. Though the payments and other conditions were almost same for all the attached labourers, the S.C's attached labourers were subjected to a higher degree of ill-treatment by their employers due to their low social status in the caste hierarchy.

Though the people became attached labourers as a last resort, nevertheless there were some benefits to the labourers under this arrangement. Attached labour provides security of a sort. This was particularly true in Palaparru during drought years. The attached labourer got fixed amount which was decided at the time of agreement irrespective of good and bad crop years. This may his subsistence was guaranteed. Apart from the annual payment the

⁶ Yerukala and Yanadi's are Scheduled Tribe groups. Traditionally they were not engaged in agricultural operations.

employer was expected to help the attached labourer during his crisis, through free gifts, additional loans to meet the unexpected expenditure on incidents like illness, accidents, deaths etc.

4.1.2 Daily wage labourer (kuuli)

Daily wage worker was one who works on daily payment in terms of either in cash or in kind. He worked for fixed hours in a day, usually 6 to 9 hours a day between 9.a.m. to 6. p.m and got payment as per ongoing wage rates in the labour market during that time. Different wage rates were paid for different types of tasks depending upon the nature of work. Muddana Ramaiah, an 80 year old person tried to recollect the wage rates paid to different types of agricultural tasks in the year 1950. According to him a male labourer was paid 0.75 paise and a female labourer was paid 0.50 paise or equivalent grain per day. During harvest season these rates were raised up to Rs.1 for male and 0.75 ps. for female labourer. Children were paid even less. For works like ploughing and land leveling (mattipani) the payments were higher than other types of agricultural field-operations i.e. sowing, weeding etc.

A large portion of daily wage labourers in Palaparru were found to have tied relationships with few selected employers. They were highly dependent upon their employers for various reasons for instance, need for credit, security of employment etc. So they preferred to have one or two patrons, who would help them in their needs. Most of the daily wage labourers were found to

have tied relationships with one or two employers in the village and worked for them continuously. In this case the labourer got daily wage rate on par with wage rates in the labour market, but they were also expected to work for low wages particularly during harvest season because of their above said tied relationship. The labourer in turn gets small benefits from his employer- small amounts of loans without interest rates, vegetables, pickles, butter milk etc., free of cost and food during important occasions like ceremonies, festivals etc. The labourer was generally allowed to take vegetables grown in the employers field and it was customary on the part of employer to invite his labourers on important occasions and give food to them. The labourers were also expected to do small jobs like carrying messages, domestic work etc, for his employer.

In palaparru it was also noticed that some of the daily wage labourers were working with particular employers without having any credit relationship with them. In this case they were tied to their employers through other forms of bondage like tenancy relationship. Some of the big landowners in Palaparru used to lease out a small portion of their land to landless agricultural labourers and in turn expecting them to work in their lands. The tenants also paid usual wage rates for their work. The aim of the landowner in this case was to get secured labour throughout the year. Agricultural labourers who were involved in this kind of relationship were mostly belonged to Kamma caste. Small land owners who have insufficient land for their subsistence and spend

some of their time as labourers were preferred for this kind of arrangement than pure landless agricultural labourers as they need some capital and other inputs (cattle for ploughing etc.) for cultivating the leased land.

Daily wage labourer in tobacco companies

The growth of tobacco cultivation had led to the establishment of tobacco companies and barns to cure, grade and bale the raw tobacco in the study area.⁷ In 1940 a big private tobacco company by name Nava Bharat Tobacco Company was established in Uppalapadu village which is situated 5km. away from Palaparru. There were about 12 tobacco barns in Palaparru in 1950 owned by resident farmers.

The tobacco company in Uppalapadu employed nearly 300 to 350 labourers every year on daily wage payment. The work was available 4 to 5 months starting from January to June every year, Nearly 40 to 50 labourers from Palaparru used to work in this company. Women labourers were employed in large number in this company, as they (women labourers) were preferred for grading of the raw tobacco. Men were employed for curing and making bales.

There was a lot of demand for employment in this company. The main reason for this was the wage rates paid by this company were higher than usual rates paid to labourers for agricultural

⁷Barn is a small tobacco processing unit. Each barn can process the yield from 7 to 8 acres.

operations. During the period when the company work was available, it was slack season for labourers. The harvest season ends by the month March every year. The agricultural labour did not get much employment from March to June. So there was a lot of demand to get employment in this company.

The terms and conditions of employment in this company were similar to that of any modern private factory. The working hours were fixed and wage rates were paid on daily basis. The payments were made once in 15 days or once in a month. The company sometimes used to offer bonus to its workers.

Apart from the work available in this company some employment was also available in Palaparru itself in tobacco barns owned by the local farmers, after cutting the harvest, curing and grading of tobacco leaves was done in the tobacco barns. Only after this process the farmer sells the product in the market. The labour in these barns were employed on daily wage basis. The wage rates paid by the local farmers were slightly lower than the wage rates that were paid in the tobacco company.

The employment in the tobacco company and tobacco barns provided an important source of income for some of the labourer households during summer season when agricultural work was limited. These labourers worked as daily wage labourers in the remaining period.

4.1.3 Prevalence of attached or tied labour relations

The information collected from the sample households and the information from other sources⁸ show, that in spite of the growth of daily or casual labour arrangements, a large proportion of agricultural labour in Palaparru was highly dependent upon their employers and were tied to them in one form or the other. The tied labour arrangements provided a major source of income to a large proportion of agricultural labourers and played an important role in the village economy.

As already mentioned, there were about 70 to 80 persons who were found working as jeethagallu in Palaparru in 1950. The study of 76 sample households family histories reveal that there were about 44 households (57.9%) who were mainly dependent up on their labour power for their lively hood. Of the 44 labour households, 32 (72.7%) of them stated that they had tied labour relationships with their employers either working as jeethagallu or daily wage labourers. Of the 32 households who had tied relationship, 15 (34.1%) of them were fully attached by jeetham agreement (see table 4.1). In these households wither the head of the family or the other family members worked as jeethagallu. Except one household⁹ all the others stated that their relationship with their employers under the jeetham agreement was not hereditary and did not last for more tthan 6 or 7 years with

⁸ See unpublished monograph on the 'History of Palaparru village (in Telugu) written by Janaki Rama Rao (1994).

⁹ One family which was involved in hereditary bonded relationship in 1950, worked with an influential landlord who happened to be the Munsif (in charge of village administration of the village).

any particular employer. Ten households stated that they did not have tied relationship with any employer in the village and had the freedom of choosing employers of their choice. Three of these households belonged to *Kamma* caste and five belonged to B.Cs (Backward Castes) and the remaining three belonged to Mala Caste. The cases of three Mala households who stated that they had no attached relationship, two of them owned one acre of land each and the another household's head was an influential leader of the community and also was a *Motah Maistri* (group leader) who supplies labour to the employers and mediates between employer and labourers.

Tables 4.1
Caste-wise distribution of labourer households by
different labour arrangements 1950

Type of Labour Arrangement	Caste			Total
	S.C's	B.C's	O.C's	
1. Attached Labour (Jeetham labour)	11	3	1	15
2. Daily wage				
Tied labour	6	5	3	16
Tied free labour	3	4	3	10
3. Others	1	1	1	3
Total	23	13	8	44

Note: S.C's= Scheduled Castes, B.C.s = Backward Castes, O.C's=Other Castes. Kammass, Brahmins, Vysyas etc.

4.2 LIVING CONDITION OF THE LABOURES

The agricultural labourers in general were poor and their standard of living was much lower when compared to their position in 1990. The position of jeethagadu was much worse than other types of agricultural labourers. Though the *jeetham* agreement

provided some sort of security of employment, and in turn security of subsistence to the labourer it was highly exploitative than other forms of labour arrangements. In the *Jeetham* agreement the labourer had to sacrifice his freedom and work hard for the need of security and subsistence. In this system the employer had the complete control over the labourer and extracted maximum labour from him. The *jeethagallu* were subjected to ill-treatment by their masters i.e. verbal abuses, severe punishments including the use of physical violence in case of failure to carry out the orders of their masters. The lower caste *jeethagallu* in addition were looked down socially.

The conditions of the other types of labourers, though to some extent better than *jeetham* labourers, were not totally satisfactory. Most of them did not own proper houses to live. They used to live in small huts. The wages they got through their work were not sufficient to buy proper food and clothes. The men used to wear cheap cotton dhotis which covers half of their bodies. Most of them did not have the habit of wearing shirts. The women used to wear cheap cotton saris. The staple food of these was jowar and sajja. Except for some occasions they could not even afford to prepare curries with vegetables. The labourers belonging to Mala, Madiga, Yerukala and Yanadi castes were socially looked down. Practice of untouchability was still prevalent against these castes. They were not allowed to enter into the main houses of their employers. They were not permitted to sit with their employers. They were also not allowed to enter

into the public places. They were expected to be loyal and respectable to their employers. The physical location of the Mala and Madiga castes was distinctly isolated and was situated at the corner of the eastern part of the village and was known as the *palle* or the *waada*. The Yerukala and Tanadi castes lived in the loathe corner of the village¹⁰.

The following illustration given by Mukiri John previously worked as a *jeethagadu*, describes the life and conditions of the S.C.agricultural labourers in the early 1950s in Palaparru. He says:

Our conditions in those days were wretched and critical enough to obtain a square meal a day. In order to acquire our livelihood we used to depend upon one or two *Kapus* (employers belong to Kamma Caste) working as *jeethagallu*. All of our family members used to work in their fields as well as in their houses and survive with the *Kuuli* (wages) paid by them. Our principle staple food was *Jawar* and *Sajja* and were not accessible to rice and other food grains. Since we did not have pestle and mortar, it was our daily practice to go to *Kapu's* house to pound *Jowar*. In return we used to clean their cattle-shed, clean their utensils, clothes and attend to other domestic works for which we were given butter-milk, pickles etc, for our mid-day consumption.

We rarely prepared vegetable curries. Only at times when we were allowed to take vegetables by the *Kapus* from their fields, we prepared curries at home. Sometimes they were generous enough to offer left over curries, rice and snacks during festivals and other ceremonial occasions. Since we eat beef, the *Kaput* sometimes used to give away the old and deceased cattle to us to consume.

Since we were habituated to the consumption of beef we were ill-treated as untouchables by the upper castes. In every action we were deprived and degraded. We were not allowed of entering into the houses of Brahmins, Vysays and *Kapus*. They also did not allow us to touch anything pertaining to them. They used to get their

10 For a detailed discussion on physical location of different castes in Palaparru see chapter 2.

things done by us in the backyards of their houses. In this aspect Kapus were better than Brahmins and Vysas. At the time of marriages, death and other ceremonial occasions we were allowed to eat served food at the end in a corner. He were confined to agricultural activities and hardships and were ignorant and did not have an idea of education at all

Several other respondents in the sample repeated almost the same kind of description cited above about the conditions of S.C.agricultural labourers in 1950s in their interviews.

The position of agricultural labourers other than *jeetham* labourers belonged to backward castes (such *mm* Kummari, Chakali. Muslin etc.) were much better than S.C. labourers. Eventhough most of them were poor and also involved in tied relationship to some extent with their employers. They were not subjected to the kind of ill-treatment showed against S.C. and S.T labourers on the basis of their social status. Though the labourers of backward castes were looked down on socially to some extent, untouchability was not practiced against them. Host of these agricultural labourers belonging to these communities were also engaged in other types of traditional occupations like pottery, goldsmith, blacksmith, barber, washerman, and etc. for these labourers the agricultural labouring was not a full-time activity and they got additional supporting income from their traditional occupations. So the labourers belonging to these castes were not as dependent as other labourers of S.C. and S.T's.

¹¹ Interview with Mukiri, John (8-1-91)

Table 4.1 shows that, of all the 10 unattached daily wage labour households 4 belonged to backward castes and 3 to Kamma castes. The case histories of the B C unattached labourers reveal that although their families depended mainly on the source of income from agricultural labouring work but they had not completely withdrawn from their traditional occupations.¹² The unattached daily wage labourers belonged to Kamma caste too had some additional source of income. Two families owned one acre of land each and the third one used to lease out one or two acres of land and also own a pair of bullocks.

The accessibility to additional sources of income and also the social status made the majority of non-S.C and S.T agricultural labourers to be better-off than the labourers belonged to B.C. and S.T. communities.

4.3 LABOUR-EMPLOYER RELATIONS IN THE EARLY 1990s

The nature of relationship between the labourer and the employer has undergone significant changes since 1950 in Palaparru. Some of the forms of labour arrangements which played an important role in 1950, either virtually disappeared or declined in their practice, some have acquired new significance and some entirely new forms have emerged over the last 40 years. The system of *jeetham* which played an important role in 1950 had virtually disappeared by 1975 itself. The importance of daily

12 Of the four B.C. labour households two were involved in the pot making, one each in Barber and carpentry work in addition to their Agricultural wage work.

wage labour has risen significantly and in terms and conditions have undergone various changes. New forms of labour arrangements such as contract or piece rate wage system, seasonal contracts etc have come in to practice. In this section an attempt is made to understand the nature of the changes that have taken place in the labour-employer relations since 1950 and discuss the various factors that have contributed to these changes. First it describes the forms of labour arrangements found in 1991 and their relative importance in the village economy.

The following types of labour arrangements were found in 1991 in Palaparru.

4.3.1 Daily wage labour arrangements

A significant rise in the proportion of daily wage labourers in the total labour force has been one of the important developments that has taken place over the last 40 years. Today in Palaparru one notices that it is the dominant form of labour arrangement through which a large proportion of labourers are employed. There are changes in the terms and conditions under which the daily wage labourers are employed today when compared to the terms and conditions of the early 1950s.

Of the 37 labour households in the sample in 1991, 26 (70 . 2 %) (see table 4.2) of them are mainly involved in daily wage labour 23.1% are engaged in non-agrarian wage work. It is significant to

note that there is a considerable growth in the proportion of daily wage labourers who are engaged in non-agricultural labour, when compared to the situation in 1950. In 1950, only 11.5% of the daily wage labour households, out of the total number of labour households (which is 59.1% in 1950), were engaged in non-agricultural works.

Tablet 4. 2
Proportion of Labourer households by different labour arrangements 1950-1991.

Type of arrangement	1950	1991
1. attached Labour (Jeetham labour)	34.1 (15)	2.7* (1)
2. Daily wage Labour		
Tied Labour	36.4 (16)	32.4 (12)
Tied free Labour	22.7 (10)	37.6 (14)
3. Seasonal Labour		2.7 (1)
4. Contract Labour		13.5 (5)
5. Other	6.8 (3)	10.6 (4)
Total	44	57

* Domestic house servant

Note:

1. Figures in brackets indicates actual number of households.

2. The category of other includes low paid salaried labourers (watchmen, servants, in school and Panchayat Office, Hotel workers on monthly payments etc.) Small petty traders (Vegetable venders etc) etc.

3. Daily wage Tied labour refers to those households who are primarily engaged in daily wage works but in one may or the other involved tied labour relationship (through credit or leasing) with their employers. Tied free labour refers to those households who do not have any tied labour relationship with their employers.

Terms and conditions

There have been some changes in the terms and conditions under which the daily wage labourers are employed today compared to the terms and conditions of early 1950s. The daily wage

labourer of today is relatively more free and mobile than their counterparts in the early 1950s. Though the Interpersonal relationship between employers and labourers is not yet totally de-personalized but it is certainly moving in that direction.

There has been an increase in the number of unattached labourers among daily wage labourers. Out of the total 26 dally wage labour households in 1991, 53.8% of them are unattached labourers. This percentage was only 38.5 in 1950. There are unattached in the sense that they have the choice of choosing their employer and there no compulsion to get into any kind of tied relationship with any particular employer. They are also mobile in the sense that they do not hesitate to go to other areas in search of work.

In general the daily wage labourers are paid in cash. The daily wage rates for different types of works in 1991 as follows. The differences in the wage rates were mainly due to the nature of work. It is found that in Palaparru for of the operation the sage rates were same for men, women and children if they do the sees kind work. For sowing, weeding and picking up cotton kapas the wage rate varied between Rs 14-15 per day. They were even paid Rs 1? for picking up cotton kapas during the harvest season. They were paid Rs 30-35 per day for ploughing, spraying of pesticides, and for carrying the loads. Though both men and women were paid equally if they did the same work, the division of labour between men and women shows that the high paid agricultural and non-agricultural labour was dominated by men. In contrast the

women and children were primarily engaged for low paid labour. only men were preferred for ploughing,for spraying of pesticides, and for carrying the loads which were well paid tasks. Where as women workers were preferred for low paid labour,which includes weeding and sowing. ¹³

It was noticed that the payments were made completely in cash in 1991. The labourers demand that payments to be made immediately after the work. Sometimes, particularly during harvest season the payments were made in advance to the labourers.

Daily wage labour in cotton ginning mills

After the decline of tobacco cultivation in Palaperru the tobacco companies and barns which used to provide employment to some of the labour were closed down as the tobacco cultivation being virtually replaced by cotton crop by late 70s. However new factories related to cotton products i.e cotton ginning, processing mills etc were opened. One cotton ginning mill in Palaparru, 12 mills in Pedanandipadu town are running at present. Each ginning mill provides employment to 50 to 100 labourers every day about 3 to 4 months from February to June every year. Nearly 60 to 70 labourers from Palaparru village get employment in these companies every year. The labourers in these companies are employed on daily wage basis and payments are made once is 15 or

¹³ The women members are prohibited from ploughing activities. Touching of plough by women is considered as a serious social crime in Palaparru. A similar observation is made by the another is his previous study on 'Technological changes and gender relations in Chittor District.

30 days. The terms and conditions of the work are supposed to be similar to those prevailing in private industry but it is observed that these companies generally do not implement the rules and regulations relating to employment of labour, their wage rates, working conditions etc. laid down by the government.

4.3.2 Contract or piece rate agreements

Contract or piece rate wage system has become more popular in recent years, though it started in the late 1940s in the study area¹⁴. This type of labour arrangement is called gutta in Telugu, gutta is a kind of labour agreement in which the wage rate is fixed for the task or amount of work and for the duration of the time. Two types of piece rate wage arrangements i.e. collective and individual based arrangements¹⁵. In the collective piece rate arrangement, an agreement is reached between an employer and a group of labourers about the payment to be made for a piece of work, the payment is generally shared equally by the members of the group but not on all occasions. In this arrangement labour is organised into small groups or gangs (*mootha maistris*). Each

14 Duvvury in her study of tobacco growing areas including Palaparru, in Guntur district has reported the existence of contract wage arrangement in tobacco harvesting operations even in the late forties (Duvvury. 1985, p.111). The present study also observes that the contract wage system has been in practice in the late forties in Palaparru but it was not at all an important phenomenon. It began to take concrete shape only after the mid 1950s.

15 Gutta is general term used in Telugu to refer to contract or piece rate wage works. There are no local terms to distinguish between collective and individual contract arrangement. But in Bengali language separate terminology is used to make distinction between these two types. 'Thika' is the term used for individual and 'puron' for collective based contract arrangement (see, Ben Rogoly, 1996).

gang consists of 10-20 members most the young and able persons among the labourers. The old and children are not preferred as members of the contract gangs. The group leader (*mootha maistrie* or gang leader) acts as a mediator between the employer and the labourers. He or she enquires about the availability of most from employers, settles the rates and collects money from employers and distributes it among the labourers who collectively do the work. For this he/she is paid some commission by the employer (in most cases the amount paid to the *maistrie* is equivalent to the share of one labourer in the group).

In the individual based piece rate arrangement, the agreement is purely bilateral involving only the employer and the individual labourers. The payment is fixed for the place of work and the wages of the labourers depend upon the amount of work he or she performs. This type of arrangement is quite a recent phenomenon and widely found in cotton harvesting operations. For example, for the picking up cotton kapas the wages are paid on the basis of the number of kilograms, of cotton kapaa each labourer collects individually. Those who collect more are paid more.¹⁶

In the contract or piece rate system the labourers have several advantages than if they work on daily wage system. The labourers have an incentive for their hard work. In collective piece rate arrangement, if all the members in the group work hard

¹⁶ For picking up on k.g. cotton, 'kapas' Rs.1.00 was paid and the daily earnings of an individual varied between Rs.20 to Rs.40.

they will be able to finish the work within less time than it would otherwise take for them to finish and get higher wages than if they do the same work on daily wage basis. In individual based piece rate system also the labourers have individual incentives for their hard work. It is observed that in contract system the labourers generally work harder than they usually work and try to finish the work quickly. In this arrangement the labourer also gets more freedom as he or she does not have any direct contract with the employer. Explaining the advantages the labourer has in contract or piece rate wage system Esubaktu an agriculture labour says:

there are several benefits to the labourers if they work in the contract basis than the daily wage labourers. In this system, as the payment is based on the amount of work and no restriction on the working hours, if we do the work as quickly and as early as possible, the payment will be of that much benefit to us. It is possible to earn more money within short time. If it is the contract system, the work which takes normally two days can be completed in a day. Unlike in the daily wage system where a worker often spends his time doing nothing and doing the work slowly. the worker works very hard in this system. In this system, if we do the work quickly we can earn more, more ever we can look for another work. In this system the control exercised by the employer is almost nil. The employer does not force us to do the work quickly with care. And there no harassment this system¹⁷.

The employers too have some advantages in this type of arrangements. It reduces the burden of searching for the labour and supervising the work. As the searching for labour has become normal phenomenon during peak season. That is why in recent years

¹⁷ Interview with Ksubakthu (12-1-91).

the employers are preferring contracts than dally wage labour arrangements. Muddana Seshadri a capitalist farmer says:

In recent years the problem of getting the labourer has increased. During the time of cotton harvesting season about two to three months, the scarcity of labour is very much felt by almost all the farmers. Since there is scarcity in this season we often have to look for labour all over the place. This season demands more labour when compared to the other seasons. Even the small farmers who otherwise have sufficient time at their disposal to work in others fields, need workers during the harvest season. As there is intensive scarcity of labour most the farmers prefer to give the work on contract basis. If the work is given on contract basis then the payment will be based on the amount of work done. In this system the work can be completed quickly and in a stipulated time. One need not search for the labourer. We need not also supervise whether workers are doing the work properly or not. More importantly during the time of harvesting the employers have to go around each and every home, looking for the labourers who are free to do the work. In this process the employers have to confirm with the workers twice or thrice whether they are willing to come to the work or not. Often it so happens that, when one employer promises the labourers that he will pay higher wages, when others approaches them they demand that they should be paid the same amount otherwise they do not come for the work. At times it so happens that a labourer in search of a higher wage which can be had only in the contract system do not confirm till the last minutes even though the other employer had approaches them twice or thrice. In stead of approaching each and every labourer weather he is interested to come for the work it is better or beneficial to assign the work to a group leader (mootha maistrie) and give the work on contract basis.¹⁸

Growth of contract or piece rate wage agreements

As the contract system is found to be more convenient to both the labourer and to the employer in the context of acute shortage of labour at peak seasons, it has become as important form of labour arrangement and playing a vital role la the village economy. In the initial years when this system came into

¹⁸ Interview with Muddana Seshadri (12-1-91)

existence in the late 50's, only specific agricultural works like tobacco harvesting were preferred to be done on this agreement. Only during peak seasons, those employers who want the work to be done quickly preferred this kind of arrangement. However in recent years it has been observed that the contract system has been preferred in almost all the agricultural operations ~~like~~; ploughing, sowing, weeding, picking up cotton kapas, crop weighing, etc¹⁹. It is also noticed that most of the farmers during peak season and some at even non-peak season preferred to give the works in contract basis than daily wage arrangements. The individual contract arrangements are slowly gaining more importance than collective arrangements.

4.3.3 Seasonal contracts

Seasonal contract system is another form of labour arrangement. In this system the labour is employed for a season. In Palaparru it is noticed that this type of arrangement is preferred only for employing crop watchmen (kaapaladarulu). Crop watchman is employed for the season by a few farmers collectively, to look after their crops in the fields. Although this is an old system found often in other areas it did not exist in Palaparru till the early 1970's. Only after the introduction of cotton crop this system came into existence in Palaparru. In 1991 there were about 20 labourers in Palaparru who were employed as crop watchmen. The work of the crop watchmen

¹⁹While sowing and weeding operations are generally preferred on group contract, ploughing and cotton harvesting are referred on individual contract arrangements.

is to protect the standing crops *from* getting damaged by cattle, *from* theft etc., during crop growing and harvesting seasons. Only male members are employed as crop watchmen. The payment of a watchmen depends upon the number of acres under his responsibility. Each watchmen usually looks after about 50–80 acres. In 1991 Rs 70/- per acre was paid.

4.3.4 Disappearance of Jeetham system

The system of *jeetham* which played a significant role in the past has virtually disappeared in study area by 1975 itself before the Government of India passed legislation abolishing the bonded labour system in 1976. At present there are no *jeetham* labourers in Palaparru. In the entire village only two labourers were found working on annual contract basis in 1991. But these labourers are not *Jeetham* labourers and their terms and conditions are not similar to that of *jeetham* agreements²⁰.

4.3.9 Relative significance of various types of labour arrangement

An analysis of the relative significance of various types of

²⁰ In one case the labourer is a old men who dons not have, support from anyone of his family members. When enquired him bout why does he prefer to be a *jeethagadu* than daily wage labour, he replied:

I have more attachment to my kapu's (employer) family than to my family. I do not have wife and my children deserted me. My kapu is a good men. He takes care of all my needs. Be does not mind if I want to leave him. But I prefer to be with him only.

In the case of second labourer, the labourer's family leaned in 1 acre of land from his employer. The labourer dons not need to stay overnight at employer's house. He works in fixed hours only. If he works extra hours be will be paid additional amount.

labour arrangements shows that among all the labour arrangements it was the daily wage system that was dominant and played a significant role in the village economy in 1991. Next comes the contract or piece rate wage system. It is observed that in recent years this system has been gaining increasing importance and becoming popular with both labourers and employers. Some time in the near future this system might even replace the dominant position of the daily wage system and play a crucial role in the village economy. The following data on the proportion of time allocations and income of labour households based on nine case studies show the relative significance of various types of labour arrangements.

Of the nine case studies, five have reported that they spent an average of 58% of their labour hiring-out time on daily wage basis, 29% on contract basis and the remaining time on other form of labour arrangements. On an average they got about 49% of their income from daily wage, and 42% from contract works and the remaining part from other activities. Of the remaining four labour households three have stated that on average they spent 52% of their time on contract work, 36% on daily wage and the remaining period on other activities. On average they got 63% of their income from contract work, 26% from daily wage and the remaining amount from other activities. One household spent most of their time on seasonal contracts and got more than half of its income from this work.

The data from case studies show that in terms of relative significance it was the daily wage employment, that was the major source of income for most the of labour households. Next comes the contract based employment. A comparison of time allocation and income received shows that labourers received more income through contract works than if they spend the same amount of time on daily wage employment. The employment available through seasonal contracts was an important source of income on occasion for some of the labour households, but it was less significant in the overall economy of the village

The above discussion on the changes in the relative importance of different types labour arrangements indicates that during the last four decades there has been an Increase in the equalization agricultural labour force. One of the important reason for this change is growing scarcity of agricultural labour or tightening of rural labour market. The following section discusses this phenomenon.

4.4 THE PROBLEM OP SCARCITY OF LABOUR

It is not out of context to discuss briefly about the problem, of scarcity of labour or tightening of labour market which has serious implications for the nature of labour-employer relations and also the nature of labour arrangements in Palaperru. Almost all the employers in the study sample households stated that they have been facing this problem in recent years especially during cotton harvesting season. Why does this problem arise in recent years? Is it because of growth in employment opportunities or decrease in the labouring population ?

4.4.1 Increase in employment opportunities

Employment opportunities for labourers both in agrarian and non-agrarian sectors have increased significantly since 1950. particularly after the introduction of cotton in the late sixties in Palaparru. Several factors such as, increase in the area under cultivation, changes in the cropping pattern, introduction of new technology, expansion of non-agrarian activities etc contributed for the growth of employment opportunities.

(a) Increase in the area of cultivation

After 1970 in Palaparru nearly 100 acres which was uncultivated till then was brought under cultivation. Some of these lands were government porambokes common lands left for cattle grazing, area covered tanks etc. After 1970 these lands were encroached by the Harijans in the village. They developed these lands and started cultivating them.²¹ Some of the big

²¹ Though the A.P. Government Land Colling Act (1973) had no impact in Palaparru, the government policy of distributing waste lands to the poor particularly to the harijns had a positive impact. In 1973, with the help of local Congress party lenders the harijans in the village encroached nearly 35 acres of land which was under village tanks and roads. This mot of harijans created a tension in the village. The other caste people particularly Kammas objected this stating that the encroachment of Pert of the village roads will create problems for them and removed standing crops from these fields the harijans approached the court for Justice. The court gave study orders and allowed harijans to cultivate those lands pending the final judgement. The court litigation went on for about 15 years. In 1999 the court gave a final judgement which went pertly against to the harijans. The court though Justified the encroachment of common grazing lands and land under the tanks it ejected the encroachment of part of the village roads. The court observed teat the village roods are meant for common use and government can not treat them as waste lands which can be distributed to the poor.

landowners who left some of their lands fallow also started cultivating then after the introduction of the cotton crop. This increase in the area under cultivation has helped to generate additional employment.

(b) Changes in cropping pattern

The most important factor which contributed to the growth of employment opportunities is the introduction of cotton crop in Palaparru in the late sixties. By 1975 cotton crop became popular among all the sections of farmers. It became the single dominant crop occupying nearly 80% of the total cultivated area. Cotton cultivation is both labour and capital intensive compared to tobacco, jowar and sajja which were principal the crops in Palaparru before 1970.

TABLE: 4.3

The requirement of male-female labour for one hectare cultivation of Cotton, Tobacco, and Jowar in Guntur District in 1978-79

Crop	Male	Female	Total	Male-Female ratio
Jowar	13.6	30.0	435	1:2.2
Tobacco	45.0	28.0	73.0	1:06
Cotton	66.0	149.0	215.0	1:2.3

Note:

1. Labour is given in units of 8 hrs a day for Tobacco crop.
2. Labour required for curing of tobacco leaves also included

Source : Joint director of Agriculture, Guntur, cited in U.N. Reddy, pattern of commercial farming in Guntur District Economic and Political Weekly, 1985 vol 20, No 51 and 52

A comparative study of human labour requirements for various crops show that the labour requirement is much more for cotton

than other crops like tobacco and jowar. The statistics (see table 4.3) published by the Joint Director, Agriculture Department, Guntur District show that the requirement of human labour for cotton crop cultivation is almost three times higher than tobacco, four times higher than paddy cultivation. For one hectare cultivation of cotton crop requires 215 labour days of work where as tobacco requires 73 days and Jawar 43 days of labour. The ratio of male and female labour requirement (in terms of labour days) for different crops indicates that the ratio of female labour is greater for cotton than for tobacco and Jowar. For cotton the male female ratio is 1:2.3, where for tobacco and jowar the ratio is 1:0.6 and 1:2.2 respectively. The change in the cropping pattern with a shift towards cotton crop from tobacco, jowar sajja etc., in Palaparru affected the labour market in a very significant way. As the employment opportunities increased with the coming of cotton the demand for labour, particularly for female labour, also increased. It led to the problem of labour scarcity in Palaparru.

(c) Impact of green revolution

The overall Impact of new technology (in the form of H.Y.V. seeds, fertilisers, pesticides. mechanisation of certain agricultural operations i.e using tractors for ploughing, sprayers for applying pesticides etc has positive impact on the growth of in fact increased the employment opportunities for labourers particularly for female labour in Palaparru.

Mechanization

While it is true that the mechanization process has reduced the requirements of human labour for certain agricultural operations it has not yet developed to the extent of replacing labour in any significant way. In Palaparru mechanization entered through the use of tractors for ploughing and other operations, sprayers and one year even helicopters for applying pesticides etc.. These are the works which are mainly done the male agricultural labourers. Mechanisation has not yet taken place in female dominated works like weeding sowing etc. The use of tractors has no doubt reduced the requirements of male labour for ploughing operations. After the tractors were introduced (first tractor was purchased in 1965 by one of the rich farmers in Palaparru village) many farmers particularly the rich ones sold their bullocks and bullock carts and started depending upon tractors. To some extent it also reduced their dependence on *jeetham* labourers to who used to look after the maintenance of bullocks and ploughing operations, la spite of the growing one of tractors, several small farmers continued to use bullocks and ploughs for agricultural operations. In Palaperru it is also noticed that the cost of ploughing is almost the same whether it is done by with tractors or bullock driven plough.²² Except for the times when the work needs to be done quickly and the time when the land needs to be tilled deeper (generally ploughing with tractor is preferred when the land is tilled for the first time

²²For ploughing Rs.80 per acre was paid in 1991. The payment was almost the same for both Bullock sad Tractor plouching.

before the new crop is sown because the land needs to be tilled deeper at this time to prepare the field for the new crop) the farmers in Palaparru do not have any special preference for using tractors in place of bullocks, as there is also an equal demand for ploughing with bullocks, some of the small farmers started buying bullocks in recent years. The Government under various rural development programs (I.R.D.P etc..)has given loans with subsidy to some of the the families belonged to weaker sections to buy bullocks and bullock carts. The recent increase in the use of traditional ploughing in place of tractors probably reduced the demand for tractors as it is evident by the decline in the number of tractors owned by the villagers. There were three tractors in 1970, and the number has increased to 13 in 1980. This number has come down to 9 by 1991. It shows that though the use of tractors had some impact in reducing the employment opportunities for labour to some extent, there is no further trend of mechanisation through tractors.

The use of sprayers and handpumps to spray pesticides slightly reduced the requirement of male labour in the initial years but as the extent of use of chemical pesticides increased tremendously in recent years it has no negative impact on requirement of labour for these operations in the long run. In fact the labour required for these operations increased. The use of sprayers and handpumps started in 1972 in Palaparru. Before that, the farmers used to apply pesticides 5 or 6 times in each crop season to control the pests attacking the on cotton crop.

Now the frequency of the use of pesticides has been increased to 20-25 times in each crop season. In 1979 some of the farmers in Palaparru used helicopters for spraying pesticides for the cotton crop. Had helicopters been used regularly the requirements of labour needed for spraying pesticides would have been come down drastically. But this method was not favored and given up after experimenting in one crop season.²³

H.Y.V. seeds, fertilisers and pesticides

The use of H.Y.V cotton seeds, fertilizers and pesticides helped to increase employment opportunities in a significant way in the study area. The use of H.Y.V cotton seeds like M.C.U. 5 Seven, Varalakahmi etc., helped farmers to get high yields requiring them to hire more labour to harvest the crop. The use of chemical fertilizers and pesticides do help to increase the cotton yields. But in recent years it is observed that there has been a decline in the yields in spite of an increase in the use of more powerful pesticides and fertilizers. The cotton crop has been proseed to new diseases in recent years and it has affected the yields in a significant way²⁴. Despite the decline in cotton yields due to new diseases and drought conditions and the

²³ Individual farmers cannot afford either to buy or rent Helicopter for purpose of applying Pesticides. A lot of coordination and collective effort is required among a group of farmers who want to use the Helicopter. There needs to be common agreement among all the members regarding the kind of Pesticide to be applied and timing of the application.

²⁴ In 1985 the cotton crop suffered with 'Whitefly' disease and no Pesticide was able to control this disease. During this year the average yield of cotton for acre declined to 300 to 400 kgs. which was three times less than the yield of 1978. During 1980s the average yield per acre never crossed above. 1000 kgs. which was less compare to 1970s (see Seahadri, 1994).

consequent decline in the over all employment opportunities, it has not made any significant impact on the employment opportunities for the resident labourers. It has clearly affected the employment opportunities for the labourers who seasonally migrate to Palaparru in search of work. The number of immigrant seasonal labourers has been reduced in recent years.

D) Growth in employment in the non-agrarian sector

There has been an increase in employment opportunities in the non-agrarian sector in Palaparru during the last four decades. Both the absolute numbers and the proportion of households who are mainly dependent on non-agrarian activities have increased significantly. Of the total 76 sample households, 11 (14.5%) were dependent on non-agrarian occupations in 1950. This number has increased to 19 (25.0%) by 1991. The number of households who are mainly dependent on non-agrarian wage work in particular has increased from 6 (7.8%) in 1950 to 8 (10.6%) in 1991 (see. chapter 3, Table 3.13). Though the study does not have clear estimates of the extent of male and female labour involvement in different non-agrarian activities, the observations from the field suggest that the participation of men is greater than women. There has been a growing preference among male labourers to engage themselves in non-agrarian wage work because of the higher wages and better bargaining power in non-agrarian wage works compared to agrarian wage works²⁵

²⁵

The prevalence of contract arrangements are higher in non agrarian wage employment than in agriculture wage employment. The labour gets better wages and more freedom while doing the work in

4.4.2 Supply of labour power

What of the supply of labour power? Has there been any increase in the working population in general and proportion of wage labour in particular. The census reports of the Government of India reveal that the over all rate of population growth has been low compared to district and state averages. The total population of Palaparru in the last three decades is as follows. In 1961 the total population was 3487, in 1971 3284, in 1981 3874 and in 1991 3566. During 1961-91 the total resident population of the village has increased by 19% which is low compared to the growth rates at district and state level. During this period the total population of Guntur district and A.P. state have increased by 60% and 84% respectively. This particularly low rate of increase may be partly accounted by net emigration (number of People migrated out and migrated in). The number of people and households permanently migrated out were much more than migrated into Palaparru (see chapter II). The low rate of increase also reflects a reduced rate of population growth resulting from declining fertility. The use of family planning has become popular among all sections of the people particularly among the rich people.

Decline in the growth of working population

Apart from the low rate of population growth, the size of working population has also not shown any significant increase in contract than in daily wage arrangements.

Palaparru. In fact the proportion of working population (hired labour as well as family labour) to that of total population has declined significantly since 1960. As it has been already mentioned in the third chapter, there has been a decline in the proportion of labour hiring in classes particularly the class of agricultural labour during 1950-91

One important reason for the decline in the proportion of working population is the withdrawal of the upper stratus of the peasantry from the manual work in the fields. In the past one notice that except very big landholding households, all other peasant households used to participate and work in their fields. In the recent years it has been observed that some of the members mainly male among rich and middle peasant households have stopped working in their fields and started depending more on hired labour. Not participating in the manual work is considered as a status symbol by some of the neo-rich households in Palaparru. Some of the male labourers too are slowly withdrawing from low paid agricultural works. They are preferring to engage themselves in high paid works i.e. non-agrarian, agricultural works on contract basis. Several respondents in the sample stated that they used to participate in the manual operations in their fields in the past and but have now stopped doing so in spite of the fact that there has been no major change in their economic status.

Another reason for decline in the proportion of working population is, the rising consciousness about the importance of education to the children among all the sections of the people. The

proportion of children who are going to school is much higher now compared to the 1950s. The working population between the age group of 10 to 20 years has declined as most of them are not pursuing education (see chapter 2).

To sum up, though the employment opportunities declined slightly due to decline in cotton yields in recent years, the overall impact of changes in cropping pattern and new technology has generated additional employment opportunities in agrarian sector in a significant way. This observation is in accordance with several micro and macro level studies which examined the impact of green revolution on agricultural employment in several parts of rural India²⁶. The expansion of non-agrarian sector also helped to create additional employment for labourers. Though there has been an increase for both the men and women labourers the rise in the opportunities for women labour is greater than men in the agrarian sector. In contrast the opportunities have increased more for men in non-agrarian sector. The increased opportunities for women in agrarian sector and the movement of men from agrarian to non-agrarian activities are important causes for the growing feminisation of agricultural labour force in Palaparru²⁷. The

26 for the review of literature on the impact of green revolution on agricultural employment see the studies of John Harriss (1991). Vaidyanadhan (1986), Bhalla (1967) etc.

27 The phenomenon of feminisation of agricultural labour has been widely reported by number of studies in recent years, for review of these studies see da Corta and Venkateshwarlu (1996). Bonnet (1992). The opinions have been differed with regard to causes which led to the feminisation. Bennet (1992), Walker and Ryan (1990). Joshi and Alshi (1965) have attributed this trend to the changes in cropping pattern and introduction of new technology, da Corta and Vankateshwarlu on the other hand argued that

supply of labour power has not increased to the extent of demand for labour due to low rate of overall population growth, the increase in the net out migration, and decline in the proportion of working population in general agricultural labour in particular. This has led to the problem of labour scarcity in Palaparru. One of the responses of the employers to this problem has been to opt for contract wage arrangements and also to depend upon migrant labourers.

4.4.3 Migrant labourers (Kotta Vallu)

The large scale seasonal immigration of labourers from other backward areas is a clear indication of growing demand for labour in Palaparru. Since 1975, the time when the cotton crop has virtually displaced other crops, the study has noticed that a large number of labourers from other areas are coming to Palaparru in search of work during the cotton harvest season. The number of labourers who migrate to Palaparru every year varies depending upon the availability of work. In good harvest years the number would be around 350 to 400 and this number comes down to 100 to 150 in normal harvest years when the availability of work was low.

This number is quite significant when compared with total number of agricultural labourers residing in the village. Almost 30% of the labour employed during cotton harvest season comes from

feminisation is not merely related to the effects of the green revolution. Their study shows that feminisation also has its roots in changing gender relations.

outside the village. This shows the magnitude of *demand* for labour in Palaparru.

The migrant labour locally called kotta vallu comes to Palaparru, from the villages of other backward areas like Nandayala, Kanigiri, Kaabham, Vinukonda etc.

In most of the cases the employers go in search of labour well in advance before of the onset of harvest season from areas mentioned above. The migrant labourers generally come in groups. The *employers* enter into agreements with groups of migrant labourers to work in their fields during the harvest season. The employers who engage these labour need to provide the accommodation to them. Generally the migrant labourers are given accommodation in the cattle sheds (*kostum*) of their employers. The migrant labourers have to compulsorily work with their employers or as directed by them. The daily wage rate for migrant labourers is slightly less than the wage rate in the local labour market. The difference is around one rupee per day. For example in 1991 the daily wage rate for picking cotton Kapas was Rs.14 for migrant labour where as the local labour was paid Rs.13.

The capitalist farmers and rich peasants in Palaparru are preferring the employment of migrant labour rather than the resident labour. The migrant labourer is considered to be more obedient, hard working and works for long hours than a resident labourer. By employing migrant labour the employers also get some

security of supply of labour. Venkateswarlu a capitalist farmer in Palaparru who has been employing migrant labourers for the last 14 years says:

there are several advantages with *kotta vallu* (migrant labour). During peak season our burden of searching for labour will be reduced if we have migrant labour with us. Migrant labourers work much harder than resident labourers. They come to the field in the early hours (One hour before usual time) and work till late hours (half an hour to one hour extra). They are more obedient than local labour and we can depend on them. They do not argue in the case of delay in payments²⁸.

The large presence migrant labourers and growth of contract wage arrangements have led to the segmentation of labourers by dividing them into migrant and local, an elite of young and strong men who are members of contract gangs and fringe of workers mostly consisting of elderly people and children who can only be sure of getting employment during peak season.

4.4.4 Electoral politics and labour - employer relations

The phenomenon of labour scarcity and its implications on labour-employer relations can't be attributed to the changes in demand and supply factors in the labour market alone. The impact of changes in electoral politics and state interventions including notably those intended to increase the employment opportunities bringing agrarian reform, supply of subsidised credit to the poor, needs to be considered in understanding the changes in labour and employer relations.

28 Interview with venkateshvarlu.K.(21-1-96)

The introduction of adult franchise and elections to central and state legislative bodies and panchayat raj institutions have brought new social groups into main stream of politics giving them new political status and identity. The agricultural labourers who mostly belong S.C. and S.T. communities and constitute a major vote bank are increasingly recognised as important political actors.

There has been a significant change in the pattern of electoral politics and methods of political mobilisation of voters by the political parties and politicians in Palaparru since late 60s and particularly after the emergence of Telugu Desam Party in 1983. During the 50s and 60s the study noted that the electoral politics and mobilisation of political support by the political parties and local politicians in Palaparru was largely based on command over 'vote banks' controlled by local power brokers and caste leaders (in the system eloquently described F.G.Baily (1963), Robinson (1988) etc.). In order to mobilise and maintain political support the political parties and local politicians depended mainly upon these power brokers. There is clear evidence that this pattern of political mobilisation had undergone important changes since late 60s. The political parties which came to power both at center and state level since late 60s have shifted their strategy of political mobilisation of masses from the one that depended upon vote banks controlled by the power brokers to the one which involved directly addressing the masses through various populist schemes. Congress party under the leadership of Mrs Gandhi in the late 60s had initiated this kind

strategy to mobilize the political support (see Frankel, 1978; Kohli, 1991) . This has been more vigouresly and sucessfull/ carried out by the Telugu Desam Party during the 80s (Venkateswarlu, 1968).

The main outcome of this kind of shift in electoral politics is an increase of pressure on politicians and parties who are in power to introduce the policies which attract the support of rural poor who constitute the major vote bank. Since late 60s a number of welfare policies which addressed the rural poor had a direct or indirect impact on labour-employer relations were introduced by both central and state governments. These policies included distribution of government waste lands, house sites, pucca houses, providing of cheap and subsidised credit to buy assets, rice subsidies to the poor, employment generation schemes, abolishment of the bonded labour system and so on. The impact of these welfareinterventions on the upward mobility of the labourers has already been discussed in the previous chapter (see section 3.4). In the following section further discussion on the impact of these interventions on living conditions of the labourers will be taken up. Despite problems, the cumulative impact of these schemes was to kelp tighten the labour market and increased the consciousness and countervailing power of labourers and weakened the authority of employers (see also Robinson, 1988; Hافرiss, 1992; Breemen, 1985 on this point).

4.5 GENERAL CONDITIONS OF LABOUR

In spite of the marked differences within the labour force with regard to their socio-economic conditions, depending upon the nature of work they do (skilled or unskilled, agrarian or not agrarian work), type of labour arrangement they are involve in (daily wage or contract or company labour), family size and number of working members (consumer and worker ratio), social status, educational standard, access to government welfare programs etc, the conditions of labourers in general in 1991 show a significant improvement in several aspects compared to the conditions in the early 1950s.

The following socio-economic indicators are used to find out whether or not any significant improvement occurred in the condition of labourers. Economic indicators include the ownership of assets, expenditure pattern, number of days of employment, wage rates, indebtedness etc. Social indicators include education, food and dressing habits etc.

It has been already pointed out that there has been significant growth in the employment opportunities for labourers in Palaparru since 1950, particularly after the introduction of the green revolution in the late sixties. The data on wage rates also reveal that despite the medium term fluctuations there appears to have been no long term decline in wage rates—cash wages increased significantly and real wages marginally (see table 4.4). The growth in employment opportunities and increase in wage rates helped the labourers to improve their economic conditions to a significant extent.

TABLE 4.4
Average male-female daily money wages and real wages for selected
years in Guntur District between 1899-60 to 1990-91.

Year	Honey Rages		Real wages	
	Hale	Female	Hale	Female
1959-60	0.99	0.83	1.35	1.00
1964-65	2.13	1.52	1.70	1.22
1969-70	3.01	2.29	1.71	1.30
1974-75	3.90	2.85	1.21	0.69
1979-80	7.06	4.48	2.28	1.45
1984-65	11.72	10.33	2.58	2.27
1990-91	22.92	15.00	3.51	2.30

Source: Sudhakar Reddy 1992, Poverty monograph series No.1
CESS Hyderabad.

A clear indication of improvement in the economic conditions, and thereby the improvement in standard of living of labourers since 1950, can be found in the ownership of assets (land, house, live stock etc) and changes in expenditure pattern. Complete information on ownership of all the assets owned by individual labourer households from 1950 to 1991 is not available. However available data on land, house and live stock suggests that since 1950 there has been some improvement in the ownership of assets by the labourers.

4.9.1 Housing

It has been already mentioned that most of the labour households in the sample in 1950 owned samall huts with mud walls . Of the total 44 households 26 owned samll huts, 12 pocca houses

and the rest did not own houses but used to live in their employers' huts. This picture has changed by 1991. In 1991, of the total 37 labour households 17 of them own small huts (well built and more durable than the type of huts in 1950) 20 of them owned pucca houses. The state government policy of distributing house sites and pucca houses clearly benefited some of the labour households in the sample. 18 households of the sample stated that they have received house sites and pucca houses from the government.

4.5.2 Ownership of assets

The land ownership data shows that in 1950 of all the 44 labour households in the sample 31.8% (14) owned some amount of land (less than one acre per household in all the cases). This percentage has increased to 40.5 in 1991. The total amount of land owned by these households also increased from 2.9% of total land owned by all the sample households in 1950 to 5.2% in 1991.

with regard to live stock ownership 27.3% of the labour households in the sample owned live stock in 1950. This Percentage has increased to 32.5 in 1991. Among households who owned live stock in 1991, 33.3% of them stated that they have Purchased these live stock with subsidies and loans provided by the government under welfare schemes for the poor.

4.5.3. Indebtedness and savings

The data is limited data on indebtedness and savings. All the labour households were enquired whether or not they were/are

indebted. In 1950, of all the labour households 81.8% were indebted. In 1991 this number came down to 67.6%. The data on savings was collected from the local post office. There is a facility in the local post office to save money under various schemes. The data provided by the post office in-charge Mr Subba Rao, shows that in recent years there has been a growing tendency among labourer households to save a part of their income from their earnings for unexpected or future needs. In 1991 nearly 120 labourer households had saving accounts in the post office with a saving range of Rs.100 to Rs.2000. Fifteen years back none of the labour households had any account in the post office.

The data related to rough estimates of expenditure pattern of labour households in the sample also reveals that in 1991 the labour households spent a large portion of their income on non-food items viz health, education, dress, entertainment, transport etc. , when compared to the expenditure on these items in the initial years of inheritance by the present household heads. This is a clear indication of improvement in standard of living of these people.

4.5.4 Literacy

The significant rise in the literacy rate among labour households in Palaparru too suggests general improvement in their conditions. The data for 1991 indicates that among all the labour households in the sample, 53 % of the children who are between the 5 to 14 age group were going to the school. 44 % of them attended

the school for some time and discontinued and 6% of them never attended school. Of the total members in the sample households, 58% of them are literate. Among them 5.6 % completed 10th class.

The situation in 1950 shows that the literacy rate among labourers was very low. Nearly 76 % of them were illiterates. Only 3 members in the sample have completed 10th class and only one member was found working as a employee in a government institution. The rise in the consciousness about the importance of education particularly among the SC and ST communities was mainly due to the support extended by the government since independence through various legislative measures, reservation of seats in educational institutions and government Jobs, financial assistance to the students belonging to these communities (through scholarships) etc. Though only few have been benefited from these programs, it has clearly raised the hopes among the others. In Palaparru the importance of education was felt among the S.C and S.T labourers in recent years and most of them are sending their children to the school. The literacy levels have gone up but in a sizable number of cases their educational achievements are) not on par with members of other communities. The literacy rate among female members belonging to labour households has also increased hut not on par with male members.

4.5.5. Food and dressing habits

The changes that have taken place in the food and dressing habits of labourers in Palaparru also indicate that there has been

some improvement in the standard of living of these people. It was noticed that in 1950s most of the labourers in Palaparru could not afford to buy proper food and dresses. They use to eat jowar and sajja with lobs of chutnies. Only occasionally curries with vegetables were prepared. They used to go to their employers houses get chutnies, butter milk and leftover food in torn for doing the jobs to their employers. They used to wear cheap cotton clothes-male members wore only *dhoti* or *lungi* and did not wear shirts except in important occasions. Female members wore cheap cotton saris.

The situation has changed now. Host of the labourer households in the sample reported that getting food and dress is not the main problem for them now. Due to the rise in the income levels of these people and also the government's policy of distributing rice, cloth and other essentials to the poor at subsidized rates, they could now afford to have three meal in a day, with rice. They are also preparing curries regularly. Unlike in the past they are not going to their employers house to get curries, butter milk and left over food. They are thinking that by going to employers house for food, they are loosing their dignity and self-respect. They are also wearing good dresses. The younger generation who are studying are very particular sad conscious about their dresses.

The information on ownership of land, house, cattle, savings. indebtedness, educations, food and dressing habits of labour

households in the sample show that there has been significant improvement in the economic and social conditions of these people, since 1950s. This improvement has serious implications on the nature of labour-employer relations. It has helped the labourers to reduce their dependency on their employers and also helped them to come out from the attached labour relationship and opt for more free and dignified relationship with their employers.

To sum up, the nature of the relationship between labour and employer witnessed significant changes in Palaparru since 1950. The most important development that took place was the decline of unfree or attached relationship which reflected in the virtual disappearance of system of *jeetham* and the growth of relatively free daily wage and contract labour system.

In spite of the high degree of commercialisation in Agriculture in the first half of this century, mainly due to the introduction of tobacco crop in Palaparru, one could notice a large portion of labour who were either fully attached or partially tied to their employers in one way or the other. Not only the labourers who were employed under the agreement of *jeetham*, but also a majority of those employed on daily wage basis were found highly dependent upon their employers to fulfil the need of credit, have security of employment etc.

The labour in general in the early 1950s, were poor and could not afford to have proper food, clothing and housing. The

condition of *jeetham*, labourers was much worse than other type of labourers. Caste practices played an important role in the labour-employer relations. A large portion of labourers were mainly from lower castes. The labourers belonged to S.C. and S.T. communities were socially looked down upon and untouchability was practiced to a large extent against them.

By 1990s the situation changed. Several important changes took place in the relationship between labour and employer. The system of *jeetham* virtually disappeared even before the Government of India passed legislation abolishing the bonded labour system in 1976. The importance of daily wage system acquired new significance and some important changes also took place in the terms and conditions of this system. The daily wage labour in the 1990s is more free and mobile than the daily wage labour in 1950s. The new system of labour arrangement i.e contract or piece rate wage system which started in the late 1950s in Palaparru gained prominence in the recent years. In terms of relative significance of various types of labour arrangements, it is the daily wage system which formed the dominant form of labour arrangement and played a significant role in the village economy in 1991. Next, the contract wage system has been gaining importance and becoming increasingly popular and has been acceptable both to labourers and employers. The trend thus indicates that this system might replace the dominant position of daily wage system.

The labour in general were found in a much better position in 1991 when compared to their position in 1950s. Several factors contributed for the change in the labour-employer relations. These include the changes in cropping pattern (shift to cotton), production process (introduction of new technology in the form of H.Y.V. seeds, fertilizers, pesticides mechanization of agricultural operations etc) government legislative measures for the upliftment of the poor²⁹.

The introduction of cotton which is both labour and capital intensive crop and change in production process contributed to an increase in the employment opportunities for the labourers in a significant way. The supply of labour power did not increase to the extent of rise in the demand for labour. This has led to the problem of labour scarcity during peak seasons. The problems of acute shortage of labour has given rise to the emergence of new forms of labour arrangements ie. contract system. It has also led to the large scale immigration of seasonal labour to Palaparru from other backward areas during harvest seasons. The growth in the contract wage arrangements and the large presence of migrant labourers have led to the further segmentation of labourers by

29 The welfare interventions of the government targeting the rural poor includes distribution of poramboke lands, house sites, pucca houses, distribution of rice and other essentials at subsidized rates to the poor, reservation of seats in government jobs and educational institutions, distribution of subsidised loans to acquire assets and several other welfare schemes for the benefit of the poor especially who belonged to lower castes.

dividing them into migrant and local and contract and daily wage labourers.

The growth in the employment opportunities and subsequent rise in the wages helped the labourers to improve their economic conditions and thereby reduced their traditional dependence based on extra economic compulsions on their employers. The government legislative measures for the upliftment of the poor despite serious problems in their implementation and limitations in their coverage have also helped some of the labourers to improve their standard of living. The most significant impact of government welfare interventions however was the increasing consciousness among the labourers which reflected in the growing countervailing power of labourers and weakening of the authority of employers. Thus the dependency of labourers on state has increased and the role of the state become crucial in understanding the changes in labour and employer relations.

An increase in the wage rates and changes in terms and conditions however did not benefit male and female agricultural labourers equally. In spite of the growth in employment opportunities in agriculture for female labourers their wage rates and terms and conditions did not improve on par with male labourers.

The decline of unfree labour relations, relative improvement in the living conditions of the labourers and the decline in the

size of the class of pure labourers Indicates that a complex pattern of proletarianisation has been taking place in Palaparru. The concept of proletarianisation in agriculture in classical Marxist view as argued by Lenin and others implies two related processes. The first process involves the growth of the size of agricultural labour class. The second process involves the development of a free labour market where the labour becomes a *commodity* and free from extra economic coercion. With the development of commodity relations and growth of capitalist tendencies in agriculture it is argued that a process of depeasantisation which involves disintegration or polarisation of peasantry into classes of large section of agricultural proletariat on the one hand and a small section of capitalist farmers on the other hand takes place. In capitalism the Agricultural proletariat becomes doubly free-free from means of production and from extra economic compulsions.

The foregoing discussion on qualitative changes in labour relations and previous analysis of quantitative changes in agrarian class structure and mobility suggest that the classical pattern of proletarianisation is not taking place in Palaparru. A partial proletarianisation which involves decline of unfree labour relations without leading to the growth of the size of agricultural labour class is the one which explains the process of change in labour relations in Palaparru.

CHAPTER 5

Changing Credit Relations 1950-91

One of the important findings of the data from the matrices which emerged from the previous analysis of changes in agrarian class structure and mobility has been the persistence and stability of small and middle level peasantry. The small scale peasant production continued to reproduce itself. In spite of relatively high degree of mobility the small and middle peasants as a category remained more or less stable. The present chapter examines the nature of changes in the credit market relations and the role of formal and informal credit in reproducing small scale peasant production.

A number of studies¹ based on the evidence gathered from micro level, surveys on the nature of changes in the rural credit markets in India and particularly in the South Indian context have reported that the commercialisation of agriculture which has been further intensified with the introduction of new agricultural technology in the late 60s has been instrumental in increasing the monetary requirements of a large section of peasantry and their dependency for working capital on the credit market. The growth in formal sector credit though significant has not been able to meet sufficiently the growing credit requirements of small and poor peasants. It has catered largely to the requirements of the rich peasantry and benefited them mostly than other sections of peasantry. The result is that the small and poor peasants continue to depend upon private moneylenders. Therefore the

¹ For a detailed review of various studies on rural credit market and inter-linkages between credit and other markets see Sarap. K. (1991, chapter I), Basu, K. (1988, pp.8-12), Bhende. M. J. (1986). Harriss, J (1982a and 1987), Athreya et al (1990. pp.235-239).

interlinkage between credit and other rural Markets i.e. labour, land, product etc. , continue to be significant and form an important feature of rural credit relations.

In the study of John Harriss (1991) of Tamil Nadu villages there is an indication of such determinant role of merchant and moneylender capital in the reproduction of small scale agricultural production. His finding shows:

product and credit markets are interlinked that mercantile credit played a key function in the reproduction of small-scale production-advances from traders being crucial to the renewal of the productive cycle and that the dependence of small producers on paddy traders in particular was instrumental in maintaining rates of profit in trade higher than those available in agricultural production itself (Harriss, 1991, p 80).

Further he emphasizes the role played by the state through its public policies to establish a direct contact with people in innumerable ways. Thus he according to him,

the so called needs-based lending, which has been given so much emphasis in public policy over the past decade, has further intensified the direct relationships between a broad spectrum of rural people and the state apparatus. A many stranded relationship has developed between rural People and the state: it Involves electricity supplies and tariffs, interventions in paddy and ground nut markets, the supply of basic consumer goods at regulated prices through the so-called cooperatives shops, the Food for work Programme and lately the Noon Meals Scheme for school going children, as well as credit supplied through Integrated Rural Development Programmes. These different interventions have been instrumental in creating overlapping alliances of rural people, in a sense 'against' the state though in a context in which the state is regarded as, and partially conforms to the role of, a patron. It is not the case that the rural people are mobilizing to overthrow the state (Harries. 1991. pp.80-81).

In the following pages the study examines these findings with the evidence collected from Palaparru.

5.1 Credit relations in the early 1950s

The growth of commercialisation of agriculture and agrarian trade since the beginning of this century in the study area provided immense possibilities for the penetration of merchant /moneylender capital in the village economy. It has increased the monetary requirements of large sections of peasantry. Barring a small section of rich peasants, the other sections of peasantry had come to increasingly depend upon merchant/moneylending capital for their credit needs. The rich peasants due to their command over resources and relative autonomy and freedom in marketing of their products, could attain certain degree of independence and autonomy in credit relations. The profits derived from cultivation of commercial crops and their increasing access to the market enabled the rich peasants to diversify their surplus money into moneylending and agrarian trade. The active participation of rich peasants in moneylending and trade has slowly reduced the dominance of Komatis, the professional moneylender caste, from the rural credit market. (Satyanarayana, A. 1991, pp.61-64)

5.1.1 Sources of credit

The credit market situation in the early 1950s in Palaparru was one which was dominated by a small section of the landlords, rich peasants (agricultural moneylenders) and professional moneylenders. The landlords and rich peasants belonged mainly to the Kamma caste. The professional moneylenders belonged to the Komati (Vysya) caste whose primary occupation was trade and money lending. Both these sections started competing with each other in money lending and trading activities. They established

close connections with urban wholesale dealers and worked as middle men in marketing crops. They also had better accessibility to the formal credit institutions (Banks and Co-Operatives) and were able to get credit on cheaper rates and in turn used that money for moneylending and trade activities at the village. The other informal credit sources included loans from friends and relatives. The formal credit institutions such as Banks, Credit Co-operative societies also offered credit to the villagers.

The relative significance of different sources of credit during the 50s show that it was the credit from agricultural moneylenders which played a dominant role in the village economy. Among the 8 large scale moneylenders in the village 5 belong to the Kamma caste who had substantial landholdings and were actively involved in the cultivation of tobacco. Among these 5, two of them were also involved in tobacco trading. The remaining 3 large scale moneylenders belonged to the Komati caste who were also involved in other business (provision shops etc.) and trading activities. The credit from agricultural moneylenders was a primary source of credit for nearly 40% of the sample households who were dependent on credit in 1950. Merchants and professionals moneylenders were a primary source of credit for 26% of the households. (see table 5.1)

The role of formal credit institutions such as Banks, Co-operative societies was at that time insignificant. These institutions were not accessible to large sections of the peasantry. Only a small section of rich peasants and merchants,

who had substantial landed property and wealth, could offer the necessary security and obtain loans easily. Of all the 52 households in the sample who were dependent on credit in 1950, only 4 of them reported that they had accessibility and had taken loans from these institutions. Of the 4 two were rich peasants and one was a Komati merchant and one small peasant who also happened to be well educated.

While, both the rich Kamma peasants and professional Komati Moneylenders had a common objective i.e. making profits, in lending money, there was also some difference between these people in choosing their clients. The landlords and rich peasants who also owned substantial land and actively engaged in cultivation, preferred to lend money to landless labourers and tenants in order to tie their labour power and produce. The main purpose in lending money to the labourers was to engage them as *jeethgallu* for their work and lend money to the tenants in order to tie both their labour power and harvest too. Gaining profits through interest rates was secondary to them. Interest rates charged on loans given to the landless labourers and tenants in this way were lower compared to the rates they charged on other loans. The common rate of interest on this kind of loans varied between Rs.1 to Rs.2 per month for hundred rupees depending upon the nature of personal relationship between creditors and debtors,

In contrast the Komati moneylenders preferred to lend money to the small peasants. All the three Komati families who were actively engaged in moneylending in 1950 were also involved in some kind of business. Two of them owned provision shops and one

owned cloth shop in the village. Of the three, two of them were also involved in grain and tobacco trading activities. In most of the instances their moneylending activity was linked to their business activity. Generally they preferred to lend money in the form of goods i.e. selling provisions, inputs etc. than offering cash loans. They insisted upon security of selling the crop to them immediately after harvest. The main purpose of lending money in this way was to benefit both from interest rate on loan amount and buying the product at cheaper rates than market prices. It was also noted that the interest rates charged by Komati moneylenders were higher than interest rates charged by rich peasant moneylenders.

Stating the difference between Kamma rich peasants and Komati merchants in lending money Janaki Rama Rao a local historian states that:

the Kamma moneylenders who had big land holdings and engaged in cultivation were somewhat liberal towards their clients than Komati moneylenders. They used to charge lower interest rates than Komatis mainly keeping in view of their needs of labour for cultivating their lands. They were not as professional as Komatis in moneylending business. For the Komati's it was their traditional and primary occupation. They were well trained and knew the skills in moneylending better than others. There were some Kamma moneylenders who did the moneylending in a professional way like Komatis but the majority of them lacked the skills of moneylending (Janaki Rama Rao, 1994).

The village credit market was completely dominated by locals and it was reported that a large portion of the total credit was mobilized from within the village itself. Some of the merchants/moneylenders from near by market towns

i.e. pedenandipadu, Chilakaluripet etc, had developed inputs contacts with the villagers but they were not in a position to compete with the local moneylenders. Most of them tried to maintain contacts with local moneylenders and village dealers and offered large amounts of credit to them (Janaki Rama Rao, 1994).

5.1.2 Terms and conditions of money-lending

The terms and conditions of the loan determines the nature of the credit transactions i.e. whether it is usurious or not. Some aspects of terms and conditions of borrowing in the early 1950s are discussed below. These are a) the rates of interest charged by lenders for different types of loans b) type of collateral securities offered by borrowers c) repayment mechanism etc.

Interest rates

The rate of interest charged on private loans varied depending upon several aspects viz:- duration of loan (short term or long term) amount of loan, (small, medium, or large), nature of securities offered (land, gold, labour, harvest etc.) and importantly the purpose of the loans (consumption, investment, ceremonial expenses, health reasons etc.) and the relationship between the lender and borrower.

In general it is reported that the interest rates were much higher on short term loans, small loans given without proper security. consumption loans and loans given for emergency purposes. The monthly interest rate on these loans varied between

Rs.2 to up to Rs.5 even for hundred rupees in center inputs

Though the specified explicit rate of interest were lower

harvest and labour tied loans, the actual returns on these loans were much higher. The common interest rate on harvest tied loans varied between Rs.2 to Rs.3².

Securities and repayment mechanisms

Loan availability depended upon the types of collateral securities offered by the borrowers. Along with marketable collateral securities like for example land, gold etc, it is reported that offering future labour services and harvest as a form of collateral was very common among small, poor peasants and landless labourers. It shows that there was close interlinkage between credit and other markets i.e. labour and product. as it has been reported in the last chapter the majority of labour households in the sample were found tied to their employers in one way or the other through credit. If the amount of loan was considerably high it generally resulted in the labourer who borrowed becoming *jeethagadu* to the lenders. If the amount was small they needed to offer labour services at the first call of the lender and work for him till the repayment of the loan. It was quite uncommon to charge any interest rate on these small loans.³

2 This information was collected through personal interviews with Muddana Ramaiah and Janaki Rama Rao who are the residents of Palaparru and also from private documents of loan transactions by some of the sample households.

3 For detailed discussion, see chapter 4, section 4.1

In the case of harvest tied loans, the lender offered inputs, in cash to the small and poor peasants at the time of beginning or middle of the crop season on the condition that the Produce must be sold to them alone immediately after the harvest. The calculation of interest rates on these loans was very difficult as there was lot of difference between explicitly stated interest and the actual profits derived from the loan amount. The main purpose of lenders in offering this kind of loans was primarily to make profit out of the transaction from selling their product at higher rates and buying the product cheaply from the lenders.

Mortgaging of land as security for loan was found but this was not widely prevalent. Land was mortgaged under different conditions, the extreme form being the ultimate transfer of the rights of the ownership in the case of failing to repay the loan within the specified time period. Two types of land mortgage was reported. In the first type, the borrower transferee) the right of land to the lender until he repaid the loan amount. In these cases no interest was charged. The land was kept under complete control of creditor which he could either lease out or cultivate on his own but had no right to sell away that land. The second type was time bound lending. While in the first type the borrower will automatically lost his right over land if he failed to repay the loan within the specified time period, in the second type of time bound lending, the borrower got back the piece of land from the creditor after a particular time period. There was no payment required of any amount to the creditor. The amount of loan depended upon the number of years the lender could use the land.

The larger the loan, the longer was the number of years they could use the land. There was no risk of the borrower losing the land.

In particular the first type of land mortgage was more prevalent than the second type. Of all the 12 respondents, except for one, who reported that they had taken loans on land mortgage, belonged to small and poor peasant category. They also reported that this was not a regular practice but they did it as a last resort to meet emergency needs. One of the respondents stated that

"land is so valuable that it is our primary source of livelihood. Unless there is an emergency or crisis we do not prefer to lose our rights over land either temporarily or permanently"⁴.

Although land mortgage was not prevalent in Palaparru there were good number of instances where the failure of repaying the loan ultimately resulted in loss of land. That is, even though the land mortgage was not specified in loan contract, the consecutive failure of crops, unexpected crisis etc. forced the small and poor peasants to sell away part of their land in order to repay the loan. It was reported that of the 6 moneylenders 4 of them acquired large portions of their land in this way from their borrowers. Of the 12 respondents who were involved in land mortgage 4 of them reported that they had to sell away part of their land in order to repay the loan.

⁴ Interview with Jampany Subba Rao a small peasant in the sample (Palaparru 3-2-91).

It would be interesting to compare these observations on the credit market situations with the observations from a similar study conducted by da Corta in 1988 in the Western part of Chittoor District in Andhra Pradesh. She observed a very close interlinkage between credit and other markets in the 1950s in Chittoor District. In contrast to the present study the land mortgage was very common among small and poor peasants. A significant portion of small and poor peasants in her study reported that they had lost their lands to the moneylenders in order to repay the loans. Labour and harvest tied credit transaction were much more prevalent and interest rates too were higher than in Palaparru (da Corta, 1992).

To sum up, the credit market situation in the early 1950s reveals that there had been a close interlinkage between credit and other markets. The credit market was dominated by a small auction of landlords, rich peasants and professional moneylenders. Most of the landlords and the rich peasants who were engaged in moneylending were new to this activity. The commercialisation of agriculture particularly the introduction of tobacco cultivation helped these people to make profits and enabled them to enter into trading and moneylending activities. The rise of landlords and rich peasants as moneylenders and traders slowly reduced the dominance of professional Komati moneylenders over the village credit market. There was competition between these people in moneylending and trading. The role of formal credit institutions was insignificant as these were not accessible to large section of the peasantry.

The labour tied and harvest tied credit transactions Here common and most of the landless labourers, poor and small peasantry were involved in this circuit. The labour tied credit transactions usually resulted in *jeetham* agreement between labour and creditor in which the labourer agreed to work as *jeethagadu* till the repayment of the loan. The harvest tied credit transactions were more common among the small and poor peasantry who were involved more in cultivation of tobacco than other crops. It showed that the commercialisation of agriculture had intensified the dependence of small and poor peasantry on credit market.

5.2 CREDIT RELATIONS IN THE EARLY 1990S

There have been important changes in the credit market relations since the early 1950s. The introduction of green revolution in the late 1960s further intensified the commercialisation process in the agriculture and strengthened the commodity relations. This resulted in increasing dependence of the poor and small peasantry on credit markets in order to meet the growing needs of working capital. The expansion of formal credit sector with the intervention of government was not sufficient to cover the growing credit needs of these sections. The small and poor peasants continued to depend upon Informal sources of credit. The following section examines various changes that have taken place in credit market relations since early 1950s.

5.2.1 Sources of credit

The following are some of the important sources of credit available for Palaparru residents in the early 1960s. These

include, formal credit Institutions like nationalised banks, primary agricultural societies etc; which are regulated by the government, informal sources of credit like loans from professional merchants, agricultural moneylenders, friends, relatives and so on.

Institutional sources of credit

An important development in the credit market situation in Palaparru during the last forty years has been the rapid expansion of institutional sources of credit. During the early 60s the village had only two sources of institutional credit i.e, a branch of Bank of Baroda situated at Pedanandipadu and the Land Mortgage Bank at Guntur. As it has been already pointed out the institutional credit did not play any significant role in the early 50s. Most of the sample households did not have the access to these institutions. Since the late 60s the situation has changed. The institutional credit acquired new significance and became an important source of credit in Palaparru. The Increasing intervention of government in the rural credit market through various public policies i.e, nationalisation of commercial banks in 1969, subsidised loans through various rural development programmes etc, which regulated formal credit institutions resulted in the rapid expansion of this sector. At present there are four important institutional sources of credit i.e. local branches of Bank of Baroda, State Bank of India. Union Bank of India, the Primary Agricultural Credit Cooperative Society situated within a distance of 6 Kms, offering various types of loans like crop loans, gold loans etc,. Apart from these

institutions there are other institutions which offers credit to the targeted groups like Scheduled Castes, Backward Classes etc. for example Scheduled Castes Financial Corporation offer credit for buying assets, land etc; to identified poor S.C.families.

Informal sources of credit

Inspite of significant growth in formal sector credit informal credit continues to play an important role in local credit market. However there have been important changes in the relative importance of different sources of informal credit. The agricultural moneylender credit which played a dominant role in the early 50s had lost its importance. The merchant and traders credit on the other hand acquired new significance and became an important source of credit in the early 1990s.

Table 5.1 presents changes in the relative importance of different sources of credit during 1950-91. It shows that the relative importance of merchant/moneylender capital has increased significantly over a period of time. In 1960 of all the households in the sample who were involved in credit transactions nearly 29 % of them reported that the primary source of their credit was merchants/moneylenders. This percentage has increased to 31% and 38* in 1969 and 1991 respectively. On the other hand the role of agricultural moneylenders in the credit market has declined drastically. While in 1950. 40.4% of the sample households who were involved in taking credit have reported that their primary source of credit was agricultural moneyleaders, this has declined to 29.1% in 1969 and 9.5% in 1991. The decline was

particularly significant during 1969-91 than in the earlier period. The agricultural moneylenders capital has been largely replaced by institutional credit from Banks, Co-operatives etc. The growth in the institutional credit too has been remarkable, particularly during 1969-91. The percentage of households whose primary source of credit with Banks and Co-operatives has increased from 7.7% in 1950 to 12.7% in 1969 and 31.7 % in 1991. There has not been much change in the role of credit from the friends and relatives.

5.2.2 Increasing dependency of small and poor peasantry on merchant moneylender capital

The growth of commercialisation has been further intensified with the introduction of new agricultural technology. It has increased the monetary requirements of small and poor peasants and their dependence on the credit market for working capital. The expansion in the formal institutional credit has not been able to sufficiently address and cover the growing credit needs of this section. The small and poor peasantry therefore continued to depend upon the private credit market, particularly of merchants and traders for their credit needs. With the increase in the cost of cotton cultivation mainly with the rise in the prices of fertilizers and pesticides in recent years, this dependence has grown.⁵

⁵ The cost of inputs (fertilisers and pesticides, seeds and labour costs) have increased nearly three times between 1970-85. The average cost of cotton cultivation per hectare was Rs.3963 in 1970-71. This has gone up to Rs.11,137 in 1984-85. (see Ramesh N. et al 1986)

Table: 5.1
proportion of households depending upon different sources of credit during 1950-1991.

Source of credit	1950		1969		1991	
	Pri- mary	Seco- ndary	Pri- mary	Seco- ndary	Pri- mary	Seco- ndary
Marchants and pro- fessional money lenders.	28 (15)	34 (18)	30.9 (17)	34.5 (19)	38.1 (24)	42.8 (27)
Agricultural money lenders.	40.4 (21)	32.7 (17)	29.1 (16)	29.1 (16)	9.5 (6)	7.9 (5)
Public credit inst- itutions	7.7 (4)	3.8 (2)	12.7 (7)	14.5 (8)	31.7 (20)	33.3 (21)
Relatives, Friends & other sources	25.2 (12)	28.8 (15)	27.2 (15)	21.8 (12)	20.6 (13)	17.5 (11)

Numbers in brackets indicates actual no.of households.

Tables 5.2
Class wise break up of proportion of households depending upon different sources as primary source of credit.

CLASS	1950				1969				1991			
	A	B	C	D	A	B	C	D	A	B	C	D
Class I	-	-	50.0 (2)	-	-	-	14.3 (1)	-	-	-	10.0 (2)	-
Class II	-	-	25.0 (1)	8.3 (1)	-	-	26.6 (2)	6.6 (1)	-	-	10.0 (2)	7.7 (1)
Class III	13.3 (2)	4.8 (1)	-	16.7 (2)	17.6 (3)	6.2 (1)	28.6 (2)	13.3 (2)	8.3 (2)	-	35.0 (7)	7.7 (1)
Class IV	26.7 (4)	9.5 (2)	25.0 (1)	3.5 (1)	17.6 (3)	6.3 (1)	14.3 (1)	6.6 (1)	12.5 (3)	-	15.0 (3)	7.7 (1)
Class V	33.3 (5)	19.0 (4)	-	41.7 (5)	35.3 (6)	18.6 (3)	14.3 (1)	26.7 (4)	50.0 (12)	16.7 (1)	20.0 (4)	SO (6)
Class VI	26.7 (4)	66.7 (14)	-	25.0 (3)	29.4 (5)	68.8 (11)	-	46.7 (7)	29.2 (7)	83.3 (5)	10.0 (2)	38.5 (5)

Note: A=Merchants and professional moneylender

B=Agricultural moneylenders

C=Public credit institutions

D= Relatives, friends etc.

Class 1 and II are labour hiring in classes. (landlords/capitalist farmers, rich peasants, big merchants, high salaried groups) class III and IV are self employed classes (middle peasants, middle level salaried groups, artisans and other self employed groups), class V and VI are labour hiring out classes (agricultural labourers, factory workers, petty business people, salaried labourers etc). For definition of these classes, see chapter 3, table 3.5.

The class wise analysis of primary sources of credit indicates (see table 5.2) that a large proportion of households who primarily depended upon merchants and Moneylenders are from small and poor peasant classes. Of all the sample households in 1950 whose primary source of credit was merchants and moneylenders 60% of them belonged to small and poor peasant classes. This percentage has increased to 62.5% by 1991. On the contrary a large proportion of households who are dependent upon formal institutional credit are came from the middle, rich and capitalist classes. Of all the households whose primary source was institutional credit 75% in 1950, 61.5% in 1969 and 55% in 1991 belonged to middle, rich and capitalist classes.

5.2.3 The role of credit sources outside the village

An important change in the credit market relations has been the growing importance of credit from outside the village. As it has been already mentioned that a large portion of credit in the early 50s was mobilized from the various sources within the village. The situation has changed now. The village credit market is completely dominated by non-locals. Most of the merchants/moneylenders who offer credit to the villagers came from near by market towns⁶. They have established direct links with villagers. The formal credit institutions which have come to play an important role in village credit market are also situated outside the village⁷.

6 Most of these merchants/ moneylenders who are staying in urban centers now actually came from nearby villages with agricultural background. They have recently migrated to urban centers to take up trading and moneylending activities.

7 The formal credit institutions like primary agricultural

5.2.4 Increasing competition in private moneylending

One of the important aspects of change in credit market relations in Palaparru has been the growing competition among private moneylenders. The proportion of households in the sample who are involved in moneylending either directly or indirectly, small or large scale have been increased from 6.5% in 1950 to 9.2% in 1969 and 11.8% in 1991. The relatively greater profitability in business and moneylending rather than in investment in cultivation has attracted several new people into this profession. Most of these people who entered into this professions were the rich peasants and capitalist farmers who gained good profits from cotton cultivation. They have given up cultivation in the village and moved to urban centers and started investing in business and moneylending activities. As more and more people have entered into credit market, competition among them has also increased.

The growing link between cotton trading, fertiliser and pesticides business and moneylending is another important reason for increasing competition in private moneylending. In the late 70s and early 80s a number of cotton ginning mills were established in the study area to process raw cotton. There were only two cotton ginning mills before 1980 in Pedanadipadu. By 1985 with in a span of five years this number increased to 12. In

co-operative society, local branches of Bank of Baroda and State Bank of India which offer credit to Palaparru villagers are situated at Pedanandipadu town. The local branch office of Union Bank situated at Uppalapadu village also extends credit to Palaparru villagers.

Palaparru itself two mills were started during this period. Interestingly except for two all other ginning mill owners own fertilizer and pesticides shops of their own. In order to ensure secured market for raw cotton the ginning mill owners started offering harvest tied credit to the farmers by selling fertilizers, pesticides and seeds on credit basis. Though Rs.1.50 to Rs.2 monthly interest was charged the primary motive in offering this credit in kind was to secure the cotton harvest than to benefit from interest on credit. The fertilizer and pesticides business was a side activity for these people which has been used as a strategy to establish contacts with farmers who will supply raw cotton to them⁸.

This kind of mechanism did not last long. With the entry of several new argo-industries in the late 80s who manufactured cotton seeds, fertilizers, and pesticides the competition has increased among these industries to sell their product in the market⁹. In order to compete with the existing units and promote their business in the market the newly established units started selling their products on credit basis to their dealers who in turn sold the product to the farmers on credit basis. This has been soon followed by other existing units also¹⁰. In the late 80s a number of local dealers have started selling their products on credit basis without insisting upon any harvest tied conditions.

⁸ Interview with D.Subba Rao a cotton commission agent in Palaparru.

⁹

Bailies India Limited, Godavary Fertilizers etc.

¹⁰ Interview with K.Srinivasa.Rao who is working as a sales promoter in Rallies India Limited.

As the credit was available without pledging the harvest the farmers avoided taking credit from cotton ginning mill owners who insisted upon selling the produce exclusively to them. As it was more beneficial to them, the farmers preferred to take credit from those dealers who did not insist upon selling the produce to them alone. This has led to the decline of harvest tied credit relations. By 1991 except for two, all other ginning mill owners closed down their fertilizer and pesticides shops and started depending upon open market for buying the crop. The decline of tied harvest credit relations indicates that though the small and poor farmers continued to depend on merchant/moneylender capital and indirectly on agro-industrial capital for reproduction of their small scale production, they retained considerable autonomy in the production process and marketing of their crops.¹¹

The growth of institutional credit and its increasing role in credit market has also led to further intensification of competition among private moneylenders. The nationalisation of commercial banks in 1969 and subsequent shift in the emphasis and priorities of bank credit towards agricultural sector has paved way for the growth of institutional credit in the rural area*. Along with this shift in the emphasis of banking sector priorities, both central and state governments have introduced a number of special programs under I.R.D.P. and other and anti-poverty programs to extend cheap and subsidised credit to

¹¹ Though a majority of small and poor farmers in Palaparru have the choice or freedom to sell the crop in open market to the merchant of their choice, they are constrained to sell their crop soon after the harvest when the prices are generally low. They do it because of the need to repay the earlier loans.

various target groups in rural areas. Although this kind of Intervention from the government, has not clearly benefited all the classes of the peasantry alike it has clearly weakened the dominant role of private moneylending and limited the space available for private moneylenders in the credit market in Palaparru.

5.2.5 Changes in terms and conditions of private moneylending

The growth of institutional credit and increasing competition among private moneylenders have brought important changes in the terms and conditions of private moneylending in Palaparru.

Decline of interest rates

The combined effect of growth in formal sector credit and increased competition among private moneylenders have led to decline in the interest rates of private credit market. While the common interest rate on credit in kind offered by merchant/moneylenders varied between Rs.2-3 per month in 1950, this has declined to Rs. 1.50-2.00 in 1991. In other type of loans also interest rates in 1991 were not as high as they were in 1956. A similar trend of decline of Interest rates in private moneylending has been reported by several other village studies.

Athreya and his colleagues in their study on Tamil Nadu state:

institutional credit may have had a civilising effect on usually forcing a reduction in the rate of interest demanded by private lenders (1990. p.253).

John Harriss in his study on North Arcot village in Tamil Nadu observes:

the expansion in the supply of informal sector credit particularly in the last decade has surely contributed to the weakening of usury in the strict sense within this economy (1985, pp 83-84).

Barbara Harriss comparing the situation in Sri Lanka and India states:

formal money market in India has had a dampening effect on informal rates (1977, p.179)

Decline in tied credit transactions

The discussion on credit market relations in the early 1950s indicated that the credit market was closely interlinked with other markets i.e. labour, product etc,. A majority of small and poor peasants and landless labourers were involved in harvest and labour tied credit relations with the private moneylenders. The situation has changed over a period of time. Both harvest and labour tied credit transactions have declined in their importance. The employers who once depended upon credit as a means to tie the labourers have now shifted to other means. The increase in attached labour tenancy in recent years supports this observation. The tied labour relations based on credit have declined (for more details see chapter 4). The harvest tied transactions which have played an important role till 1965 have lost its Importance in recent years. The data on changes in tied credit transactions between 1950-91 shows that inspite of an over all increase in the proportion of households who depend upon credit, there has been a decline in the proportion of households who are involved in harvest and labour tied credit transactions. The proportion of households involved in tied harvest has declined from 28.8% in 1950 to 25.5% and 19% in 1969 and 1991 respectively (see table. 5.3). Similarly the proportion of households involved in tied labour credit has declined from 34.6 per cent in 1960 to 29.1 Per cent and 17.5 per cent in 1969 and 1991 respectively

Table: 5.3
Proportion of households involved in tied credit transactions during 1950-91

Tied Relationship	1950	1969	1991
Tied Labour	34.6 (18)	29.1 (16)	17.5 (11)
Tied Harvest	28.8 (15)	25.5 (14)	19.0 (12)
Tied Leasing	9.6 (5)	7.3 (4)	14.3 (9)
Not tied	26.9 (14)	38.2 (21)	49.2 (31)

Figures in brackets indicates actual number of households

Decline in land Mortgaging and land grabbing

Mortgaging land as a security to obtain loan from private moneylenders has almost disappeared. But it has become an important means to secure credit from formal credit institutions. As the interest rates are much cheaper the farmers prefer to mortgage land to the formal credit institutions than to the private moneylenders. The instances of land grabbing by the private moneylender on the failure of loan repayment have almost disappeared.

9.2.6 Institutional credit and problem of non-recovery of loans

In recent years the public credit institutions have been undergoing tremendous pressure with growing instances of high degree of defaulting and non-recovery of loans within stipulated time period. The increasing political intervention has partly contributed to this problem. Taking crop failures and drought conditions into account the successive governments both at center and state level have been frequently announcing several

relaxations in repayment of loans either by waiving of interest on the principle amount or partially or fully waiving the principle loan amount on agricultural loans. Some political parties have even made promises in their election manifestoes for giving several relaxations on agricultural loans. The best example is the Janata Dal Party's election promise of waiving of agricultural loans up to Rs.10,000 for small farmers during the 1989 general elections. After it came to power a policy decision was taken to this effect. It took almost two and half years to implement this policy. Expecting that they might come under the purview of the relaxation, several farmers in Palaparru delayed the repayment of the loans. Similarly the Telugu Desam government in 1966 has waived interest on crop loans in the cyclone affected areas. In 1990 when drought situation prevailed the farmers in Palaparru expected the government to announce some similar relaxation on loans¹². With this expectation several farmers did not repay the crop loans. They waited for about one and a half years. The government finally did not give any relaxation. This kind of intervention from government has created an attitude among rural people that the government might come to their rescue by giving some relaxation on loan whenever there is a failure of crop of drought. A similar attitude among rural people was reported by John Harrias in his study of North Arcot villages. He states that "it is widely expected by the people in the villages that if they hold out long enough debts incurred as a result of failure to repay these loans eventually be excelled as they have been in the past (Harriss, 1985, p.63)

¹² Interview with Subba Rao, B., sarpench of village Panchayat, Palaparru (4-3-91)

The problems of default and delay in repayment of loans have clearly effected the functioning of public credit institutions.

To sum up, the foregoing discussion on changing credit relations during 1950-91 indicates the following*

The introduction of green revolution and shift in cropping pattern (from tobacco and millets to cotton) in the late 60s were instrumental in bringing about deeper penetration of capital into agricultural production. It has also intensified the dependence of a large section of small and poor peasantry upon credit market. The expansion of formal credit sector with the intervention of government was quite significant and played an important role in curbing the overall dominance of private moneylending capital. It has however not been able to sufficiently address the growing credit needs of small and poor peasantry. The benefits from the expansion of formal credit institutions were not equally shared by all the sections of the peasantry. The capitalist farmers and rich peasants were benefited more than small and poor peasant classes. The small and poor peasants in the study area continued to depend upon private credit market for their production and consumption needs.

During 1950-90 the private credit market underwent important changes. In the early 1950s it was observed that private moneylenders had virtually dominated the village credit market. Among private moneylenders, the role of agriculture moneylenders (landlords, rich peasants) was very significant. The credit

market was closely interlinked to other markets i.e. labour, product and land. The labour and harvest tied credit transactions were widely prevalent among small and poor peasantry. Over a period of time the role of agricultural moneylenders has declined quite considerably. They are replaced by merchants and traders. the greater relative profitability of trading and moneylending compared to cultivation has attracted several new people into these professions. Most of them who entered recently into these professions are capitalist farmers and rich peasants who cot benefited more and acquired good profits from cotton cultivation. As more and more people entered into credit market through cotton trading and fertilizer business, it created competition among them.

The growth of institutional credit and growing competition among private moneylenders has led to decline in the interest rates and tied credit which in turn contributed to the weakening of usury in the strict sense in the study area. The decline of tied harvest credit relations clearly indicates that the small and poor peasants have considerable autonomy in the production process and the marketing of their crops not withstanding the fact that, they continue to depend upon private credit markets particularly the merchant, moneylender and agro-industrial capital for reproduction of their small scale production

The data suggests that the introduction of green revolution which hastened the process of commercialisation and capitalist tendencies in the study area has not lead to the depeasantisation or dissolution of small scale peasant production. The small scale

peasant production is continuously reproducing itself. The circuit of reproduction involved relations with landlord, merchant, and usurious capital in 1950s whereas in the early 90s it is the merchant, agro-industrial capital and increasing relations with the state. Nevertheless the small scale peasant production underwent important changes. Its dependency on external forces i.e. market and state increased. It became more commercialised and has become a part of the wider economy. There was a clear indication of transition from the subsistence oriented farming to more commercialised family farming.

CHAPTER6

Changing Tenancy Relations 1950-91

The institution of tenancy has undergone important changes during the last four decades, particularly after the introduction of green revolution technology in late sixties in the study area. There has been changes in the extent and magnitude of tenancy, the terms and conditions of tenancy contracts, reasons for tenancy etc. The present chapter examines the changes in various aspects of tenancy relations and the reasons for these changes since 1950 in Palaparru.

A number of studies based on the Government of India's rural sample surveys and micro level field studies have reported the following trends in tenancy relations in the post independence period. These trends could be summarised as (a) decline in the incidence of tenancy (b) gradual decline of share cropping in favor of fixed rent tenancy and (c) growth of reverse leasing. The data on the extent of tenancy and types of tenancy arrangements both at all India and state levels indicates that there has been a significant decline in the extent of tenancy. The data on types of tenancy arrangements also indicates that share cropping, a form of leasing arrangement which had played an important role in the early 1950s has been gradually declining in favor of fixed rent tenancy. Analysing the data from various rounds of National Sample Survey, H.R.Sharma (1992) reports the following observations. Firstly, while the extent of tenancy at

1 For a detailed review of various studies on tenancy relations see Sharma, H.R.(1992) Vaidyanadhan, A. (1994) Parthasarathi, G (1991) etc.

all India level has declined in terms of total operated area leased in, from 20.52% in 1953-54, to 10.57% in 1971-72 and 8.92% in 1981-82, in the state of Andhra Pradesh the extent of land under tenancy has declined from 21.21% in 1953-54 to 9.02% and 7.02% in 1971-72 and 1981-82 respectively. Secondly with respect to the area under different types of leasing arrangements, while the all India figures show that the percentage of operated area leased in on share cropping basis declined from 5.06% in 1971-72 to 3.08% in 1981-82, in the state of Andhra Pradesh this has declined from 3.19% in 1971-72 to 0.55% in 1981-82.

The other important observation in some major studies is the growth in the phenomenon of reverse tenancy or capitalist tenancy where in the rich and large farmers participate in the land lease market as tenants.² The reasons for the growth of reverse tenancy are mainly attributed to the introduction of green revolution technology and various Land Ceiling Acts. With the spread of new technology the rich and large farmers found it more profitable to lease in additional land to make optimal use of capital inputs such as tractors, pump sets etc. As the various Land Ceiling Acts imposed limits on ownership of land, the rich and large farmers wanting to do large scale farming had no other option but to lease in land (Parthasarathi 1991).

² Several studies in recent years have reported that reverse leasing or capitalist tenancy has come to play a significant role in areas where new agricultural technology has made deep intrusions. For details see Rao. V.M (1974. pp.55-62). Jodha. (1984, pp.118-128). Bardhan and Rudra (1978). Bhalla, (1983). Iqbal Singh (1989). Gill. S.S (1989)

In the light of these observations the present chapter examines the changes in tenancy relations in Palaparru during 1950-91. The present chapter is divided into three sections. Section one examines the nature of tenancy relations that prevailed in the early 1950s focusing on the type of tenancy arrangements, extent of tenancy etc. Section two deals with the nature of tenancy relations in the early 1990s and various changes that have taken place since 1950. Section three exclusively focuses on the Impact of green revolution on the Incidence of tenancy and analyses the reasons for the steady Increase in the Incidence of tenancy in the advanced stage of green revolution.

6.1 TENANCY RELATIONS IN THE EARLY 1950s

As it has been already pointed out in the second chapter, the introduction of the 'Ryotwari Land Revenue System' in 1656 which aimed at discouraging the cultivation through tenancy did not have any significant impact on the extent of tenancy prevalent in the study area. The system of tenancy continued to exist and was widely prevalent during the colonial period. The present section examines the nature of tenancy relations in the early 1950s. Three important forms of leasing arrangements i.e. share cropping, fixed rent and attached labour tenancy were found in Palaparru in the early 1950s.

6.1.1 Form of tenancy

The following are the details of the important forms of leasing arrangements which prevailed in Palaparru in the early 1960s.

Share cropping

Share cropping known as koru kaulu was one form of tenancy arrangement. In this arrangement an agreement was readied between the tenant and landowner to share the input costs and also output. Two types of share cropping arrangements were found. In the first type of arrangement the agreement between tenant and landowner was to share both the cost of inputs and income from output equally. Input costs include the expenses on manual labour, seeds, fertilizers and also rent for the land. In the second type of arrangement, the landowner leased out the land to the tenant on condition that all expenses excluding rent were borne by the tenant alone and the produce was shared by land owner and tenant at the ratio of 2:3 respectively.

Share cropping as a form of leasing arrangement was not of such significance in Palaparru in the early 60s. Of all the 10 households who reported to have involved in 1950 in leasing in of lands in the sample only 3 were involved in share cropping relationship.

The introduction of tobacco in the early 1920s had a significant impact on the decline of share cropping practice in Palaparru. As the tobacco cultivation was relatively more capital and labour intensive than jowar and sajja and also demanded infrastructural facilities like barns to cure the green tobacco leaves, the leasing in of land for tobacco cultivation was purely confined to the upper stratum of the peasantry who could afford more capital investment. This class of tenant were not

interested in sharing the produce and profits with landowners. They preferred other types of leasing arrangements. The tenants who preferred crop sharing arrangement mostly belonged to the landless and poor peasants who had little resources to cultivate the land on their own. The share cropping arrangement was largely confined to the non-commercial crops like Jowar, sajja etc.

The relationship between tenants and land owners in share cropping arrangement was characterised by extreme dependence of tenants on the land owners.³ In most cases the relationship was extended beyond the simple sharing of input costs and output. The land owners had a greater control over share cropping tenants because of the latter's dependency on them for credit to buy the inputs. This has been one of the strategies employed by the big employers to secure cheap and assured supply of labour. The two there cropping tenant households in the sample in 1950 had a higher dependent relationship with their landowners than tenants of other types. Both of them were involved in both credit and attached labour relationship with their landowners.

Fixed rent tenancy

Fixed rent or *gutta Kaulu* as it is locally called was another form of tenancy. In this system the amount of rent paid by the tenant was fixed well in advance. There were two types of arrangements involved in this system. One was fixed produce rent

3 For the discussion on Share tenancy in its historical perspective see Byres, T.J (1983)

and the other was fixed cash rent, in fixed produce rent the amount of rent on land was fixed in kind at the time of agreement and the rent was paid immediately after the harvesting of the Crop. In the fixed cash rent arrangement, the amount of rent was Paid in cash usually at the time of agreement. In the case of delay in the payment of rent the land owner usually charged interest on the rent amount.

Fixed produce rent was the most significant form of tenancy contract that prevailed in Palaparru. In the sample, most of the tenant households, (7 out of 18) and nearly 55% of total leased in land in 1950 was under the fixed produce rent system.

Compared to the share cropping arrangement, the tenants in this system were relatively more free and less dependent upon their landowners. Under this system they had a choice to choose the crop and also had control over the production process. However, barring few exceptions where the land owner happened to be either non-resident or small peasant, the land owners continued to have significant control over their tenants. Under this arrangement, the tenants were expected to be obedient and supply secured labour to their land owners.

The fixed cash rent form of tenancy was a phenomenon which started after the introduction of F.C.V tobacco in the early 1920s. This was the most predominant form of leasing arrangement prevalent in tobacco and chilli cultivation. The majority of tenants who had leased in land for tobacco cultivation belonged to

the upper stratum of peasantry. They preferred to have fixed cash rent arrangement than engage in share cropping or fixed produce rent arrangements (Duvvury, 1985). All the tenant households in the sample in 1950 who leased in land for tobacco or chilli cultivation were involved in fixed cash arrangement only.

Usufructuary land mortgage tenancy

Though not significant there were some remnants of this form of tenancy in Palaparru in the early 1950s. There was one case of tenant in the sample who was involved in this type of leasing arrangement. In this arrangement the land was mortgaged for credit on condition that the creditor has leasing rights over the land till the amount of loan is liquidated.

Attached labour tenancy

As already mentioned some degree of labour attachment was involved in share cropping and fixed produce rent form of tenancy arrangements. The study also found few cases where the leasing agreement was exclusively based on the condition of labour security. In this type of arrangement the big land owners, while engaging in their own cultivation, leased out small pieces of land to the tenants free of cost on the condition that the latter supplied labour and looked after the landowner's cultivation. Of all the households who were involved in leasing in of lands in 1950, 3 had this kind of arrangement with their landowners.

The relative significance of different forms of tenancy arrangements indicate that the fixed produce rent form was

dominant and played an important role in land lease market, in Palaparru in the early 1950s. The next is the fixed produce rent form of tenancy. This was mainly confined to the commercial crops like tobacco and chilli. The fixed cash form of rent was preferred mainly by the upper stratum of peasantry who participated as tenants in the lease market. The other forms of leasing arrangements like share cropping, attached labour tenancy, land mortgage tenancy were relatively less significant and mainly confined to non-commercial crops and to the lower stratum of the peasantry.

6.1.2 Duration of tenancy contracts

The determination of the period of lease more or less rested largely with the land owner. The eviction of tenants after the termination of lease was quite common, while the instances where a tenant himself is found to leave the farm were by far very few. In most of the leasing arrangements, the duration of the contract was usually one year. It is observed that the contracts were made through both written and oral agreements. Though in most cases the duration of the contract was one year, the chances of its renewal year in and year out were greater in case of a trustworthy tenant and if the land owner also happened to be a non-residential one.

6.1.3 Magnitude of tenancy

The incidence of tenancy may be measured either in terms of estimation of area leased in or leased out. The information on leased in land is based on information supplied by the tenants,

whereas the leased out land represents the information from the land owner, formally the total land leased in must be same as land leased out. However as pointed out in other studies too there is a discrepancy in the information on the total land leased in and leased out in the present study. It is widely believed that the discrepancy is due to the fear of loosing land results in the landowners' tendency to under report the extent of land leased out by them⁴. In the present study the discrepancy between the area leased in and leased out arises not so much out of under reporting by the landowners but due to the fact that some of the area leased in by the sample households includes the land from non-household institutions like the village temple, church, school, etc.⁵

The data collected from the sample for the year 1950 indicates that nearly 23.6% (18 out of 76) of the sample households leased in land. Nearly 23% of the total owned area was leased in and 19% leased out. This is slightly higher compared to the incidence of tenancy at state level in the early 50s. According to the National Sample Survey estimates the leased in area was 19.07% of the operated area and leased out area 15.03%⁶.

4 See Parthasarathy (1991). p.A31.

5 Nearly 5% of the total cultivatable area in Palaparru was under the control of the village high school, temples an church.

6 The N.S.S. data for 1953-54 covers only coastal Andhra and the Rayalaseema parts of present State of A.P.

TABLE: 6.1

Proportion of owned area leased in and leased out during 1951-91.

Tear	Leased in	Leased out
1950	23.0	19.5
1969	20.6	18.7
1977	16.4	17.2
1991	26.3	22.4

TABLE: 6. 2

Class wise distribution of households leased in and owned area leased in during 1950-91 (in percentages)

Class	1950		1969		1977		1991	
	L . IN	H.H	L . IN	R.R	L . IN	H.H	L . IN	H.H
Class I	9.8	5.5	9.2	5.9	4.4	6.6	10.1	6.0
Class II	13.6	5.5	15.3	5.9	13.3	6.6	15 . 0	10.0
Class III	16.7	16.5	16.3	23.5	22.2	19.6	16.9	16.0
Class IV	32.3	33.3	30.6	29.5	26.7	26.6	21.6	25.0
Class V	24.6	27.5	23.1	23.5	27.3	26.6	24.9	30.0
Class VI	3.0	11.0	3.1	11.6	6.0	13.2	9.6	15. 0

L.IN=leased in, H.H= households

Note: Class I and II are labour hiring in classes. (landlords/capitalist farmers, rich peasants, big merchants, high salaried groups) class III and IV are self explored classes (middle peasants, middle level salaried groups, artisans and other self employed groups), class V and VI are labour hiring out classes (agricultural labourers, factory workers, petty business people, salaried labourers etc). For definition of these classes, see chapter 3. table 3.5.

The class-wise break up of tenant households indicates that the tenants were not a homogeneous class. There were leasing in and leasing out households among all the classes. 44% of the total leased in area and 70% of the leased out area was shared by

the upper three classes, who were substantial landowners and big employers. The lower three classes who were small and poor peasants shared 56% of the leased in area and 30% of the leased oat area.

TABLE 6.3.
proportions of owned area leased in by each class from classes in 1991

Class	I	II	III	IV	V	VI
Class 1	27.1	29.5	20.0	16.4	6.6	–
Class II	22.6	31.7	17.2	12.9	15.3	–
Class III	26.4	14.3	27.5	19.3	12.5	–
Class IV	16.7	18.9	9.5	35.5	19.2	–
Class V	23.6	21.4	14.5	16.8	23.2	–
Class VI	28.0	27.2	12.5	21.2	11.0	–

Note: This two way table presents the proportion of area leased in by each class from different classes. For example Class I leased in 27.1 per cent of its leased in area from landowners who belong to the same class background. 29.5 per cent of the remaining area is leased in from class II, 20.0% from class III. 16.4% from class IV and 6.6% from class V and none from class VI.

Class I and II are labour hiring in classes. (landlords/capitalist farmers, rich peasants, big merchants, high salaried groups) class III and IV are self employed classes (middle peasants, middle level salaried groups, artisans and other self employed groups), class V and VI are labour hiring out classes (agricultural labourers, factory workers, petty business people, salaried labourers etc). For definition of these classes. see chapter 3, table 3.5.

6.1.4. Reverse tenantry

The participation of rich and large farmers as tenants and small and poor peasants as rentiers in the land lease market indicates the existence of reverse tenancy. Contrary to the view, that the emergence of reverse leasing is an outcome of the green

revolution, this phenomenon of reverse tenancy had a different origin in the study area. It has been in practice since the 1940s in Palaparru. The introduction of F.C.V tobacco in the 1920s induced some dynamism into the land lease market and encouraged rich peasants to take up own cultivation in a commercial way. It had not only reduced the extent of land leased out by them but also encouraged some of them to lease land from poor peasants. The nature of tobacco cultivation and processing necessitated some of these rich peasants to involve in the lease market as tenants. The optimal functioning of a barn required an output of around 10 acres. The rich peasants preferred to lease in land than purchase it because of the fact that the continuous cultivation of tobacco is soil exhausting and needs rotation of crops (Duvvury 1985).

The poor peasants were encouraged to lease out the land as the amount of rent for the tobacco crop was attractive. The study found out several instances where the poor peasants leased out their land and started working as wage labourers in tobacco farms and barns.⁷

6.1.5 Prevalence of tied tenancy relations

In spite of the existence of fixed cash rent tenancy and reverse leasing, the land lease market in the early 1950s was on the whole dominated by the prevalence of tied tenancy relations between landowners and tenants. The large proportion of tenants

⁷The author's family is a good example for this. In 1950s was on leased out 4 out of 6 acres of their land to a rich peasant in the same village for tobacco cultivation and worked as daily wage labourers in his tobacco barn.

belonged to the small and poor peasant class who had to depend upon their landowners for capital and other needs. There has been a close interlinkage between land lease and other markets i.e. labour, credit etc. The tenants who belonged to the small and *poor* peasant classes were expected to perform certain additional tasks like supply of cheap labour throughout the year apart from paying rent to their land owners.

6.2 TENANCY RELATIONS IN THE EARLY 1990s

The present section examines the nature of changes in tenancy relations in the early 1990s. There have been significant changes in the forms of leasing arrangements, magnitude and incidence of tenancy etc. in the early 1990s compared to the earlier period.

6.2.1 Forms of Tenancy

In 1991 it was observed that the fixed cash rent form of tenancy was prevalent and dominated the land lease market in Palaparru. The other leasing arrangements like share cropping, fixed produce rent and land mortgage tenancy have completely disappeared.⁸ While the share cropping and usufructuary forms of tenancy which had some relevance in the early 1950s have disappeared by the late 1960s, the fixed produce real form of tenancy had lost its significance with the rise of cotton as the single dominant crop in the mid 1970s.

6 Shift from share cropping and fixed Produce rent to fixed cash rent form of tenancy has been widely reported by several studies across the country. However the complete dominance of fixed of cash rent tenancy has not been observed by any of these studies. for a summary of these studies see Sharma, 1991. pp.184-85.

The fixed cash rent system had also undergone some changes. Fearful of the consequences of the government's legislative measures in the late 50s which gave protection to the rights of tenants, the land owners started to completely avoid the written lease agreements with their tenants (Jodha, 1984, p.104). In 1991 it was observed that in all most all the cases, no written lease agreement was made between tenants and land owners in Palaparru. All the leasing agreements were oral in nature. In most of the cases the payment of rent was cleared at the time of agreement itself or before agricultural season started. If the payment was delayed, usually a monthly interest of Rs. 1 to Rs.2 on the rent was charged. The exceptions were in the cases of those who leased out to their relatives and close friends. The duration of the contract was typically one year and a fresh agreement had to be made for the continuation of the term. Barring fan exceptions frequent changes of tenants by the land owners were vary common.

Though the land owners had greater say on whether to continue with the lease or not, they were obliged to lease out to same tenants during the years of crop failures. In the sample 32% of the land owners who leased out in 1991 have reported that they were obliged to lease out their land to the same tenants as the cotton crop had failed and heavy losses were incurred by their tenants in the previous year.

The system of attached labour tenancy has acquired new significance in the late 80s. Due to labour scarcity and related

problems in getting secured labour, the capitalist, farmers in recent years have started leasing out small portions 1/4 to 1/2 acre of their land to the landless labourers free of cost on the condition that they should work for them throughout the year on beck and call basis⁹. In addition to supply of labour the tenants were expected to look after the fields and help in other manner necessary for land owners to manage their farms. It is observed in Palaparru that the number of landowners who lease out on this basis and the proportion of land under this form of tenancy has been steadily increasing since 1985. In 1977 there was only one household in the sample who leased out land on this basis. This number has increased to 3 in 1991.

6.2.2 Magnitude of tenancy

Data was also collected to estimate the extent and magnitude of tenancy for different years since the early 1950s. While the data for 1950 and 1969 indicate the trend before green revolution. the data for 1977 and 1991 show the trends for the initial and advanced stages of green revolution respectively.

The proportion of owned area leased in shows that there has been a declining trend in the extent of tenancy during 1950-91. While in 1950 the proportion of owned area leased in accounted for nearly 23%, in the sample, this has increased to 26% in 1991 (see

⁹ Under this agreement the labourer is obliged to mark for his employer when ever he calls him for work.

table 6.1). The proportion of owned area leased out also shows a similar trend between 1950-1991. In 1950 it accounted for 19% whereas in 1991 it has been raised to 22%. Both area leased in and lease out indicate a declining trend during 1959-77 and an increase during 1977-91.

6.2.3 Extent of reverse tenancy

The class wise break up of area leased in shows that the extent of reverse tenancy has marginally increased. In the sample, while in 1950 the upper three classes who are substantial landowners shared nearly 40% of total leased in area, this has increased to 44% in 1991 (see table 6.2). The lower three classes who were small and poor peasants shared 60% leased in area in 1950. This has declined to 56% in 1991. The extent of reverse tenancy has shown declining trend during 1950-1977 and an increase during 1977-1991. The extent of area leased in and leased out by different classes give an idea about reverse tenancy. To fully estimate the extent of reverse tenancy it is necessary to take area transacted across the classes. Therefore in order to estimate the extent of reverse tenancy correctly one needs to analyse the class background of the partners-who leased out to whom?-in the lease transactions. Based on oral interviews with elderly people and information from other studies, it is found that in spite of the significance of reverse tenancy the situation in the early 1950s in Palaparru was characterised by the dominance of small and poor peasants as tenants and rich peasants and landlords as rentiers and significant amount of land was

transacted across the classes.¹⁰

The data for 1991 shows that both tenants and land owners belong to mostly the same class background.(see table 6.3) This is more so in the case of upper classes. Nearly 74% of the land leased in by the upper classes and 46% by the lower classes was transacted within the same classes. In most of the cases relatives and close friends were involved in the transactions. A similar observation has been made by several micro as well as macro level studies.¹¹ This observation has several implications. It does not correspond to the two broad trends identified in the literature. First the traditional variety characterised by hegemony of landowners as rentiers and small and marginal landowners as tenants. The second and new variety characterised by the preponderance of lower categories of households as rentiers and medium and large households as tenants. The situation observed in Palaparru is more complex. The lease market broadly appears to have been dominated by tenants and rentiers belonging to not very different peasant classes.

The above analysis of data on the magnitude and incidence of tenancy since 1950 indicates different trends. The extent of land

10 A similar observation was reported by Parthasajrathi and Prasad Rao in their study on agrarian structure in A.P. during 1950s. see Parthasarathy and Prasad Rao (1969. pp 30-31).

11 Bhalla in her study of Haryana observed that in many cases tenants and owners were economic equals (Bhalla, 1983.p.835) Other studies which made similar observations include, Ray (1978, pp.119-124), Das Gupta (1964. pp.85-86) etc. For macro level N.S.S. data analysis, see Sharma (1992)

under tenancy showed a declining trend during the pre-green revolution period between 1950 and 1969. This was the period in which the state government had initiated several legislative measures to protect the rights of the tenants. This has affected the land lease market. The A.P. Tenancy Reform Act 1954 has discouraged several erstwhile rentiers from leasing out their land. It has created apprehension among them that continuous leasing to the same tenants might result in losing of land to those tenants. After introduction of this legislation several large farmers in Palaparru evicted their previous tenants and have taken back the land either for own cultivation or have chosen new tenants. The extent of tenancy further declined between 1969 and 1977 during the initial stages of the green revolution. However, there has been a significant rise in the extent of tenancy after 1977. The following section examines the various factors which have contributed to this Increase in the tenancy in the advanced stages of green revolution.

6.3 GREEN REVOLUTION AND TENANCY

The green revolution has no negative impact on the incidence of tenancy in Palaparru. Compared to the pre-green revolution Period the Incidence of tenancy has increased. This is by far the most significant and interesting development observed in Palaparru. This finding challenges the dominant view in the existing literature regarding the impact of green revolution on land lease market. Most of the studies on the strength of both micro and macro level evidence made a common observation and reported that one of the significant development of the green revolution has been the decline of area under tenancy and the rise

of owner cultivation. Some of these studies however reported the growing importance of reverse or capitalist tenancy in recent years in certain parts of India where green revolution made deep roots i.e Punjab, Haryana etc, but none of them have reported any increase in the extent of area under tenancy in the post-green revolution when compared to pre-green revolution period.¹² The data suggests that though the incidence of tenancy has declined in the initial years of green revolution, it was a temporary phenomenon. In the latter part of the green revolution in which the use of chemical fertilizers, pesticides, H.Y.V. seeds, has intensified, the incidence of tenancy has significantly increased. The following are some of the factors contributing to the increase in tenancy in the advanced stage of green revolution in the study area.

6.3.1 Out migration of the rich and an increase in the absentee Land ownership of non-residents

A section of capitalist and rich farmers who have benefited from the use of new technology and cultivation of cotton crop in the 1970s have started moving out of the village looking for more profitable avenues in the urban centres. The 1970 was a decade of "cotton boom" in the study area. V.N.Reddy (1985) in his study of cotton cultivation in Guntur district reports that during

12 For the reviews of the debate on the impact of green revolution on tenancy see K.S. Murthy. (1987. pp.286-293) G Pardhasarathy (1991), H.Sarma, (1991). A. Vsidyanathan,(1994, 329-21), Bhalla(1983), Hanumantha Rao (1994)etc. The study of Palanpur village by Naresh and Jean Drieze however reports significant increase in the extent of area leased in from 10% in 1957-58 to 22% in 1974-75 and 28% in 1983-84 (Naresh and Jean Drieze, 1990, p.6).

1970-80 there has been a four fold increase in the average value of per hectare product and also spectacular rise in the net profit from the cotton cultivation. During the period 1978-79 to 1980-81 the average yield per hectare of cotton (lint) was 160 kgs in A.P. which coincided with the average yield rates at all India level, whereas the yield rate in the Guntur district was about 450 kg which is higher than the world average yield rate of 420 kg of cotton lint per hectare. The average yield per hectare of different crops in Guntur during the period 1969-70 to 1979-80 shows that the average yield rate per hectare (lints) from cotton crop has increased four fold between 1969-70 and 1980-81 where as the per hectare increase of other crops has increased only two folds. The average value of per hectare product of different crops also (yield multiplied with harvest prices) showed similar trend (V.N.Reddy, 1985; p137). The massive increase in the production and area under cultivation of cotton has given scope for the growth of cotton trading activities in the study area. The capitalist farmers and rich peasants who had benefited relatively more and accumulated wealth during this period, have started to diversify their economic activity. Some of them have given up cultivation and moved to urban centres. They have started investing in more profitable economic activities like cotton trading, fertilizer and pesticide business, money lending, service sector, and real estate business . Some of them have migrated out due to employment opportunities in the government and private sectors. Out of 65 families who have migrated out from Palaparru to urban centres for business and employment purpose during 1950-91. nearly half (35 families) left the village during

the late 70s and 80s only. Most of these families owned substantial land property and were actively engaged in cotton cultivation before they moved out of the village. The majority of these families have not sold their lands completely in the village.¹³ They became absentee landowners and started leasing out of their lands. In 1991, nearly 60–65% of land leased out by the sample households is owned by migrant households who left the village for business and employment purpose.

6.3.2 Shift to non-agrarian activities

Some of the capitalist farmers and rich peasants who are staying in the village itself had also given up direct cultivation either completely or partially and shifted to non-agrarian activities like running of rice mills, provision shops, commission business, cotton ginning mills etc. The primary reason behind this kind of shift is that investment in cultivation has become less attractive and less profitable than investing in business activities. The decline of per hectare yield of cotton, significant rise in the input costs and labour charges, frequent crop failures due to cyclone and droughts have all contributed to the decline of profitability of cotton during the 1980s as compared to 1970s.¹⁴ This has led some of these farmers to look

13 Out of 35 families who migrated out of the village since the late 70s only 9 have completely sold away their lands. In the remaining 26 families, 14 have sold away portions of their land and 12 have not sold their land at all.

14 See Economics of cotton cultivation :A historical case study by N.Ramesh Babu, M.Seshadri, M.Ravindra babu and S.B. Hussain (1986). which analyses the data recorded by one of the capitalist farmers in Palaparru regarding costs and returns of his farm from 1969–85. The authors report that the per hectare input and labour costs have increased nearly 3 times (labour and input costs) from Rs.3,983 in 1970–71 to Rs.11,137 in 1984–85. The per hectare

for more profitable avenues outside the agriculture. During 1980s Palaparru has witnessed significant growth in non-farm business and service activities¹⁵. Most of these people who entered into non agrarian or agro based business activities have given up direct cultivation and started leasing out their lands.

6.3.3 Temporary out migration

Some of the middle and small peasants in Palaparru have started migrating out to other backward areas temporarily to take up large scale cultivation. As the cost of cultivation is relatively low and land rent is also cheaper they have started moving into these areas as tenant cultivators. In turn they leased out their lands in the village. Six households in the sample have temporarily migrated to Rayachur and Bellary districts in Karnataka state, Nalgonda and Nizamabad in Telangana districts of A.P in the late 1970s and 80s to take up cotton cultivation in those places. Two of them have even purchased lands and settled there permanently.¹⁶

yield of cotton has declined from 3,212 kilograms in 1970-71 to 2,200 in 1984-85. The prices of yield increased from Rs.200 (per quintal) to Rs.600 in 1984-85. The net profit per hectare has declined from Rs.3,000 in 1970-71 to Rs.2.063 in 1984-85.

15 Two cotton ginning mills and a rice mill were opened in the early 80s. The owners of these mills owned big amounts of land in the village and actively engaged in cotton cultivation in the 1970s. They earned lot of profits from cotton cultivation and invested these profits in to these business activities. Two of them have given up direct cultivation completely. Before 1980 the village had one medical shop, 6 provision shop, two small hotels. one barber shop, one pan shop etc. 3 government schools, one private doctor, one commission merchant etc. By 1990 these numbers have increased to 15 provision shops, 3 medical shops, 6 small hotels, 2 barber shops. 4 pan shops, 3 private doctors. 4 commission Merchants etc.

16 In Raichur and Bellary districts of Karnataka nearly 50% to 60%

6.3.4 Increase in the Attached labour tenancy

In Palaparu there has been an increase in the attached labour tenancy in recent years. In order to tackle the problem of labour scarcity which has been felt more in recent years the rich and capitalist farmers have started leasing out small portions of their land to landless labourers on the condition that they should work for them through out the year. Though this is not a new method of ensuring secured and cheap labour, the importance of this has increased in recent years.

The relative importance of different factors indicates that the significant increase in the out migration of well to do families and subsequent increase in the land ownership of these migrant households seems to be the most important reason for the recent increase in the incidence of tenancy in Palaparru. Out of 65 well to do families which had left the village since 1980. about 35 have migrated after 1975 only. Most of these migrant families have not sold their lands completely in the village¹⁷. In 1991 nearly 65% of the land leased in by the sample households is owned by non-residents who had left the village for business and employment purpose. The study clearly shows that the extent of area leased in by migrant households has increased significantly during the last four decades.

of the fertile irrigated land under the Tungabadra canal is either owned or leased in by the migrant farmers from the costal Andhra district.

17 See note No.16.

There are several complex factors responsible for the migrant households to prefer leasing their lands rather than disposing them off. According to some migrant households land is a secure source of income to fall back on in case of any failure in their present occupations. However the more important reason is the steady decline in the number of buyers during the last 15 years. Though several migrant households in the sample prefer to sell their land and invest the money in other activities, there are not many buyers. The decline of per acre cotton production and frequent crop failures during 1980s have significantly affected the land market. Thus there has not been much increase in the land values whereas the lease rates have increased nearly three folds.¹⁸ As mentioned before some of the capitalist and rich farmers who were interested in increasing their scale of cultivation and who had the capital to invest in buying land had not shown any interest in increasing their land holding size. Rather, they preferred to engage in tenancy cultivation. On the other hand, the small and poor peasants and landless labourers who wanted to purchase land could not afford to do so. Instead, they too invested in leasing in land than buying, which involved large investment. This has caused the rising demand for land to be leased out which in turn led to the rise in the lease rates

To sum up, the institution of tenancy always played an important role in Palaparru. It underwent important changes

18 The value of an acre of good quality land was Rs. 30,000 in 1976 and has not changed since then. But the rent of an acre of good quality land which varied between Rs. 900-1000 in 1976. This has increased to Rs. 2500-2800 by 1991.

during the last four decades particularly after the introduction of green revolution in the late sixties.

The share cropping, fixed produce rent and usufructuary forms of tenancy which had some relevance in the 1950s have completely disappeared. The fixed cash rent which was mostly confined to tobacco cultivation and to the upper class tenants in the 1950s has become the most dominant form of tenancy arrangement in the early 1990s. Nearly 90% of the leased in area in 1991 was transacted under this arrangement only. The attached labour tenancy which had showed a declining trend during 1950-77, acquired new significance in recent years. During 1977-91 the proportion of tenant households and area leased in under this arrangement has increased.

The most important development in the land lease market has been the significant increase in the extent and magnitude of tenancy. This observation goes against the findings of several micro and macro level studies which have reported steep decline in the area under tenancy during the last four decades

The introduction of various tenancy reform acts in the 1950s and the green revolution in the late 60s. certainly had some negative impact and led to the decline of the extent of tenancy in Palaparru. But this trend did not last long. As the use of M.Y.V. technology and chemical fertilisers and pesticides began to intensify after 1977, the extent of tenancy also began to increase

simultaneously. This increase in the extent of tenancy was mainly due to large scale of out migration to urban centres and shift, to non-farm activities by the well to do farmers. Most of these migrants preferred to lease-out their lands than selling them as there was a greater demand for leasing in than buying the land.

The transactions in the land lease market in the recent years presents a complex picture. In most cases the land is transacted among relatives, close friends and people who belong to the same class background. This is more so in the case of the upper classes. This observation has several implications. It does not correspond to the broad trends identified in the literature. First, the traditional variety characterised by the dominance of large land owners as rentiers and small and marginal holders as tenants. The second variety characterised by the dominance of lower categories of households as rentiers and medium and large land owners as tenants. The land lease market broadly appears to have been dominated by tenants and rentiers belonging to not very different class background.

CHAPTER 7

Summary and Concluding Remarks

In the earlier chapters an attempt was made to examine the nature of changes in agrarian class structure and relations, in the context of growing commercialisation, capitalist tendencies and increasing state intervention in agriculture, based on an indepth study of Palaparru village during 1950-91.

Looking back over a period of forty years from 1991 the village underwent significant changes. There were changes in the socio-economic life of the people in the village in general and agrarian relations in particular. The state and market forces entered into village more than ever before. The village became increasingly affected by these larger economic and political processes working outside village. This impact was gauged in terms of the responses of the village society in the context of overall developments.

7.1 Agrarian structure and relations during the colonial period.

The trends revealed that (a) the agrarian structure in Guntur was highly stratified even before commodity production became widespread and wealth was disproportionately distributed among different sections of the peasantry. The growth of commercialisation in the late 19th and early 20th centuries further strengthened these inequalities. The upper stratum of the peasantry responded more favorably not only to the cash crop Production but also in marketing of the crops. It was this section

which had a certain degree of autonomy and independence in credit relations and control over resources, benefited more than the other sections. The most significant development of commercialisation was the diversification of resources by the rich peasants into moneylending and agrarian trading activities. The multiple control of rich peasants over land and especially over the credit and trading markets further strengthened their position in the village economy and politics. But the traditional moneylenders/traders also, though on the retreat, continued to be an important force. Soon the small and poor peasants were also drawn into the process of commercialisation and production for the markets. As a result there was an increase in their dependency over the credit system for production purposes, rather than for mere consumption.

The presence of highly stratified agrarian structure and the commercialisation of agriculture resulting in the increasing concentration of wealth and power in the hands of a small section i.e., the rich peasantry and increase in the dependency of small and poor peasants on the credit market are more in accordance with the 'rural magnate' thesis of Washbrook-Baker than Bruce's thesis of 'Independent small and middle farmers'. Yet, the Washbrook-Baker model has its own limitations. first, its emphasis on the role of the upper stratum of the peasantry in their control over credit and trade markets and further in their control over a large mass of small and poor peasantry is not confirmed in this study. The study suggests that the dominance of

the rich peasantry over the village credit and trade markers was not absolute and the traditional moneylenders and traders within the village and from outside still played an important role. Secondly, to imagine that the small farmers were so dependent that they were dictated by the 'rural magnates' even in matters of crop choice is not borne by the observations made in the study area. Thirdly, the 'rural magnate' thesis does not provide any scope for the important role played by the colonial capital and the colonial state in the process of commercialisation. In Guntur the process of commercialisation was clearly influenced by the policies of the colonial government and the foreign capital. The introduction of F.C.V. tobacco and its growth was a very clear example in this regard.

7.2 Changes in class structure and mobility 1950-91.

The introduction of the green revolution in the late 1960s and changes in the cropping pattern (shift from tobacco to cotton) further strengthened the process of commercialisation which had started during the colonial period. The introduction of adult franchise, elections to the Lok Sabha, the state assembly and the panchayatraj institutions and increasing intervention of state in rural areas through various public policies like extending institutional credit, crop procurement policies, and reform measures and certain welfare interventions had significant impact on the socio-economic life of the people in general and agrarian relations in particular in the study area

Changes in the class structure and mobility in Palaparru and reasons for these changes were examined through the retrospective data on changes in land ownership patterns and labour use practices of the 76 sample households selected from the resident village population in 1991 and from those who migrated out of the village since 1950. The sample households were classified by alternative classification schemes based on the size of landholding and labour use practices. And transition matrix analysis was used to measure the mobility of the households. Using landholding size as an indicator of the category of the household, the following trends were observed.

7.2.1 Decline in the concentration of land ownership

In Palaparru village like in most other parts of the rural India land ownership is unequally distributed among different households. The degree of inequality in the ownership of land was much greater in the past. In Palaparru in the year 1950 the top 10% of the land owning households in the sample owned about 54% of the total land of the sample households. The share of the bottom 60% of the households, (including landless households) was about only 6% and the middle 30% households owned 30% of the total land. Though the land ownership remained heavily concentrated even in 1991, compared to 1950, yet, the degree of concentration and inequality shown a declining trend. In 1991 the share of the top 10% of the households declined to 54%. whereas there was an increase in the share of the bottom 60% of the households, which was 8% as against 6% in 1950. The middle 30% of the households

improved their share more than the bottom 60%, owning about 38% of the land as against 30% in 1950. The Gini co-efficient values measured for the years 1950-1991 too show a declining trend in the land inequality. The values are 0.75 in 1950 and 0.70 in 1991. The declining trend in the concentration of land ownership and land inequalities was more clearly observed through the transition matrix approach. The big landowners category (above 10 acres) declined in its size and also lost considerable amount of land. The lower landowning groups especially marginal landowners (below one acre) and landless gained land.

These results are in accordance with several micro level studies on South India. John Harriss (1991), Athreya et al (1990). da Corta (1991), Attwood (1979), Cain (1981), Rao (1972) K.V Reddy (1985) etc. found decreasing rather than increasing polarisation in the structure of land ownership. Some of these studies (Attwood, 1979; Rao, 1972; Reddy, 1985) took this evidence as an indicator of overall decline in economic inequalities among rural households and questioned the applicability of Lenin's theory of peasant differentiation to South India. But the analysis of differentiation as a social process calls for more than simple inspection of indices of land concentration. Inequality in land ownership is only one aspect of general inequality (Athreya et al 1990). It can not be taken as the sole indicator of economic differentiation found among different classes of the peasantry. The loss of land by the big landowners does not necessarily mean that their economic position also declined. In a similar way the

gain of land by the poor also does not necessarily mean that their economic position has changed significantly. On examining the reasons for the rich losing their land and the poor gaining land, it was found that the decline in the concentration of land ownership did not indicate a decline in economic inequalities. On the other hand the data on reasons for land transfers suggest that land levelling occurred in the context of rising total asset inequality as many rich landholders have sold land to invest in more profitable activities. The poor on the other hand gained small amounts of land, which is of lesser economic significance especially in the context of growing importance of the relatively more profitable non-agrarian activities. It also confirms Harriss' observation which states that the land is losing its primordial importance as the basis of household wealth and it is no longer enough to attempt to study rural differentiation by examining agricultural production and landholding in isolation from other activities (Harriss, 1992, p.197)

7.2.2 Labour use (class) Mobility

Considering the limitations of using land holding size as an index for identifying the class position of the households in Palaparru, an attempt was made in this study to apply the 'labour use criterion' which is considered to be a more appropriate index for the classification of the rural household (Shanin, 1980. Patnaik 1976 & 1987) . On the basis of data on *primary, secondary* and tertiary activities in terms of labour time spent by the head of the household (or main income earning member of the family) in

1950, 1969 and 1991, a schema based on a modified version of Reomer's labour classification schema as applied by da Corta (1991) was used in this study.

In contrast to the land mobility matrices the labour class matrices revealed high degree of immobility or stability in the labour use practices of the sample households over the period 1950-91. Nearly 2/3 of the sample households (64%) did not witness any change in their labour use practices and remained in the same class category. The main contributors for this overall immobility are the labour hiring in classes (class I and II) i.e. capitalist farmers, rich peasants, big merchants and relatively high salaried employees who mainly depend upon others labour. The 80% of the households in class I and 75% in class II did not witness any mobility and remained in the same class between 1950 and 1991. The labour hiring out classes (class V and VI) i.e. poor peasants, labourers, low salaried employees also contributed to the overall stability. As many as 57.1% of the households in class V held the same class position between 1950 and 1991. Though class VI (labourers) also witnessed a high degree of immobility (63.3% remained in the same class) there is a significant decline in the size of this class. There were 39.5% of the labour households in the sample in 1960 and this number declined to 28.9% in 1991.

In contrast, the self employed classes who mainly depend on their family labour (class III and IV) i.e. small and middle

peasants among agrarian classes and petty traders, artisans etc. among non-agrarian classes have witnessed relatively high degree of Mobility. Around 50% of the households in class III and 43.7% in class IV in 1950 have witnessed mobility and moved into other classes. Downward mobility was slightly greater among these classes than upward mobility. Though the self employed classes have witnessed relatively higher degree of mobility there has not been any marked disintegration of these classes. The self employed classes particularly the agrarian classes of the middle and small peasantry remained constant as a category. There has not been any change in the size of these classes over the period of 1950-91, The size of class III has slightly increased from 10.5% of the sample households in 1950 to 13.1% in 1991 but this change resulted due to an increase of the non-agrarian households in this category. The proportion of non-agrarian households in class III increased from 10.5% in 1950 to 13.5% in 1991.

The size of labour hiring in classes also increased significantly from 10.5% of the sample households in 1950 to 15.8% in 1991. This was mainly due to an increase in the size of non-agrarian households in these classes. The size of non-agrarian classes in class I and II i.e. big merchants, traders, relatively well paid job holders (*executive* position like, managers, supervisors etc.) increased from 12.5% of the households in 1950 to 37.3% in 1991. The relatively low mobility and the increase in the size of labour hiring in classes indicate

that both class consolidation and class formation have been taking place among these classes.

7.2.3 Reasons for mobility

Based on detailed qualitative information on the history of mobility of each household, an attempt was made to identify the primary and the most important reason for the change in the class position of each household.

The reasons for mobility are grouped into four broad categories i.e. demographic factors, market (economic) factors, government interventions and other factors.

An examination of the reasons for upward or downward mobility of the households indicate that, the non-demographic factors such as market and government interventions are more important causes for influencing upward mobility, involving 20 out of 22 cases of upward nobility. Of all the 20 cases of upward mobility. 14 of then are influenced in one way or another by market factors (direct or indirect influence of commercialisation and the green revolution) and 6 cases are influenced by various policies of the government. While the market factor plays an important role in influencing the upward mobility of households belonging to the rich peasants and middle peasant categories, government intervention is the most important factor for upward mobility among the labour category. Non-demographic factors, mainly the impact of market, also played an important role in influencing

downward mobility, involving 5 out of 10 cases of downward mobility.

The impact of demographic factors on upward mobility is very insignificant. Of the 22 cases of upward mobility, only two of them are influenced by demographic reasons (having a single male child). However, demographic factors, mainly the influence of partition, seems to be a very significant factor in causing downward mobility among small and middle peasants. Of the 10 cases of downward mobility, 4 of them resulted from the partition of households. Out of these four, three belonged to small and middle peasantry. The partition factor has mostly had the effect of polarisation of the classes.

On the whole the data on the Impact of different factors on upward and downward mobility of different classes suggest that, while market factors have mostly had the effect of polarisation (Increasing differentiation), government interventions particularly the welfare programmes of different nature have mostly had the impact of levelling down. The demographic factors have contributed equally to both levelling down and polarising trends.

What do these trends signify? The fact that the majority of the sample households did not witness any mobility in their class position and *remarkable* stability or immobility among the two extre classes i.e. labour hiring in (class I and II) and hiring

out (class V and VI) classes suggest that the Chayanovian (1925) thesis of cyclical or *multidirectional* mobility as the chief characteristic of peasantry is not quite relevant to the study area. Cyclical or multidirectional mobility implies that the observed inequality among different peasant households is not a permanent feature. The peasant households have a tendency of moving upward and downward in their economic positions during their family biological life cycle. The classes which have witnessed some degree of multi directional nobility in Palaparru are mainly the self employed classes (middle and snail peasants and non-agrarian self employed classes). But the nobility among these classes can not be totally attributed to demographic factors (changes in consumer and worker ratio, substantive changes i.e. partition, merger, extinction, out migration, immigration etc) as suggested by Chayanov and recently by Attwood (1979), Harriss (1991) etc.

However, the evidence from Palaparru also does not give any indication whatsoever that there has been a clear tread towards the increasing polarisation and differentiation of classes into two extremes i.e. labour hiring in and hiring out classes resulting from the disintegration of the middle classes suggested by Lenin (1898) and recently by Pearse (1980). Griffin (1974) etc. However, there are indications that both the labour hiring in and hiring out classes are consolidating. But this trend is more clearly observed in the labour hiring in than hiring out classes. The fact that there has been a decline in the

proportion of labour hiring out classes, particularly the pure agrarian labourer class and considerable degree of upward mobility among these classes, mainly due to state Intervention and the direct or indirect impact of the green revolution, suggests that the green revolution in the study area has not intensified the trend towards proletarianisation in the sense of increasing the size of class of labourers. Despite the fact that there has been some nobility among the middle classes who are mainly dependent upon their family labour, there has not been any marked disintegration of these classes. The middle classes particularly the agrarian classes of middle and small peasantry as a category remained constant (there has not been much change in the proportion of these households between 1950 and 1991). The process of depeasantisation which involves disintegration of small and middle level peasantry or dissolution of small scale peasant production as anticipated by Pearse (1980), Griffin (1974) etc has not occurred in the study area.

The evidence thus far seems to reinforce the views of Kautsky (1899) and recently in the Indian context by Banaji(1977). J.Harriss (1982& 1989), Athreya et al (1990) etc. where a synthesis between the Leninist and Chayanovian schools of thought may be found. These scholars maintain that the capitalist development can occur along with the viability of small scale Peasant production through the self exploitation of individual members, urban remittances. through new forme of exchange

relations with merchants or agro-business companies and increasing relations with the state.

But the analysis of differentiation and Mobility as a social process calls for more than a simple quantitative analysis of nobility matrices which only estimate the changes in the proportion of different classes and nobility among these classes. Hence the analytical usefulness of Leninist, Kautskian and Chayanovian models of agrarian change can not be reduced to simple analysis of changes in class structure and mobility (da Corta 1992). The quantitative analysis of changes in class structure and mobility does not adequately reflect important qualitative changes in class relations (relationships between different classes i.e. labour and employer, merchant/moneylender and small and middle peasants etc.) which have occurred with the development of capitalism in the study area. For instance, they do not explain the qualitative changes in the bargaining power between labourers and employers and the changes in terms and conditions of credit relations between small and middle peasants on the one hand and merchants/moneylenders on the other. Hence an agricultural labourer or small or middle peasant today are not subject to the same contractual obligations as their predecessors in 1950.

7.3 Changes in the labour and employer relations

The nature of the relationship between labour and employer underwent significant changes since 1950. The most important development that took place was the decline of unfree or attached

relationship which reflected in the virtual disappearance of the system of *jeetham* which existed in Palaparru in the early 1950s. This was replaced by the growth of relatively free daily wage and contract labour arrangements with different terms and conditions.

In spite of the high degree of commercialisation of agriculture in the first half of this century, mainly due to the introduction of tobacco crop in the study area, one could notice a large portion of labour who were either fully attached or partially tied to their employers in one way or the other. Not only the labourers who were employed under the agreement of *jeetham*, but also a majority of those employed on daily wage basis were found highly dependent upon their employers to fulfill the needs of credit, security of employment etc.

In the early 1950s the labour in general were poor and could not afford to have proper food, clothing and housing. The position of *jeetham* labourers was much worse than the other type of labourers. Caste practices played an important role in the labour-employer relations. A large portion of labourers were mainly from the lower castes. The labourers belonged to S C and S.T communities were socially looked down upon and untouchability was practiced to a large extent against them

By 1990s there was a change in the bargaining power between important changes took place in the bargaining power between labourer and the employer. The system of *jeetham* virtually

disappeared even before the Government of India passed legislation abolishing the bonded labour system in 1976. The daily wage system acquired a new significance and some important changes also took place in the terms and conditions of this system. The daily wage labour of the 1990s is more free and mobile than the daily wage labour of the 1950s. A new system of labour arrangement i.e the contract or piece rate wage system which was started in the late 1950s in palaparru gained prominence in the recent years. In terms of relative significance of various types of labour arrangement, it is the daily wage system which formed the dominant form of labour arrangement and played a significant role in the village economy in 1991. Next, the contract wage system became increasingly popular and acceptable both to the labourers and employers. If this trend continues this system might replace the dominant position of the daily wage system.

The labour in general were found in a much better position in 1991 when compared to their position in the 1950s. Several factors contributed to the change in the labour-employer relations. These include the changes in the cropping pattern (shift to cotton), the production process (introduction of new technology in the form of H.Y.V seeds, fertilisers, pesticides mechanisation of agricultural operations etc.) , changes in electoral politics, government legislative measures for the upliftment of the poor etc.

The introduction of cotton which is both labour and capital intensive crop and change in the production process contributed to an increase in the employment opportunities for the labourers in a significant way. The supply of labour power did not increase to the extent of rise in the demand for labour. This has led to the problem of labour scarcity during peak seasons. The problems of acute shortage of labour has given rise to the emergence of a new form of labour arrangement ie. the contract system¹. It has also led to the large scale immigration of seasonal labour to Palsparu from other backward areas during harvest seasons. The growth in the contract wage arrangements and the large presence of migrant labourers have led to the further segmentation of labourers by dividing them into migrant and local and contract and daily wage labourers.

The growth in the employment opportunities and subsequent rise in the wages helped the labourers to improve their economic conditions and thereby reduced their traditional dependence upon their employers due to extra economic compulsions. The state legislative measures for the upliftment of the poor despite serious problems in their implementation and limitations in their coverage have also helped some of the labourers to improve their standard of living. Thus the dependency of labourers on state has increased and the role of state become crucial in understanding

¹ Several studies in recent years have reputed a similar phenomenon of 'labour scarcity' and emergence of new form of labour arrangements in rural labour market See Harriss (1992) for a detailed review of these studies.

the changes in labour and employer relations.

However an increase in the wage rates and changes in terms and conditions did not benefit the male and female agricultural labourers equally. In spite of the growth in employment opportunities in agriculture for female labourers their wage rates and terms and conditions did not improve on par with male labourers. This reflected in the gender division of wage labour where the female labourers were preferred to perform low paid wage activities.

The decline of unfree labour relations, relative improvement in the living conditions of the labourers and the decline in the size of the class of pure labourers indicate that a complex pattern of proletarianisation has been taking place in Palaparru. The classical pattern of proletarianisation which involves growth in the size of the labour class which is free from extra-economic compulsions is not taking place in Palaparru. A partial proletarianisation which involves the decline of unfree labour relations without leading to the growth of the size of agricultural labour class is the one which explains the process of change in labour relations in Palaparru

7.4 Changes in credit relations.

The credit market in Palaparru had witnessed important changes during 1950-91. The introduction of green revolution and shift in cropping pattern in the late 60s were instrumental in bringing about the deeper penetration of capital into agricultural

production. It also intensified the dependence of a large section of small and poor peasantry upon the credit market. The expansion of the formal credit sector with the intervention of government was quite significant and played an important role in curbing the overall dominance of private moneylending capital. But the formal credit sector did not sufficiently address the growing credit needs of the small and poor peasantry. The benefits from the expansion of formal credit institutions were not equally shared by all the sections of the peasantry. The capitalist farmers and rich peasants were benefited more than the small and poor peasant classes. The small and poor peasants in the study area continued to depend upon the private credit market for their production and consumption needs.

During 1950-91 the private credit market underwent important changes. In the early 1950s it was observed that private moneylenders had virtually dominated the village credit market. Among private moneylenders, the role of agricultural moneylenders (landlords, rich peasants) was significant. The credit market was closely interlinked to other markets i.e. labour, product and land. The labour and harvest tied credit transaction were prevalent among small and poor peasantry. Over a period of time the role of agricultural moneylenders declined quite considerably. They were replaced by merchants and traders. The relatively greater profitability of trading and moneylending than in investing in cultivation attracted several new people into these professions. Most of them who entered recently into these professions were

capitalists and rich peasants who got benefited more and acquired good profits from cotton cultivation. As more and more people entered into credit market through cotton trading and fertilizer business, it created competition among them.

The growth of institutional credit and growing competition among private moneylenders has led to decline in the interest rates and tied credit which in turn contributed to the weakening of usury in the strict sense in the study area. The decline of tied harvest credit relations clearly indicates that the small and poor peasants have considerable autonomy in the production process and marketing of their crops notwithstanding the fact that they continue to depend upon private credit markets particularly the merchant, moneylender and agro-industrial capital for reproduction of their small scale production.

This evidence suggests that the introduction of the green revolution which hastened the process of commercialisation and capitalist tendencies in the study area did not lead to the depeasantisation or dissolution of small scale peasant products. The small scale peasant production has been contiguously reproducing itself. The circuit, of reproduction involved relations with the landlord, merchant and usurious capital in the

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The studies of Harriss (1982) and Athreya et al (1990) of Tamilnaduvillages also found a similar observation of declining the role of usury in the credit market.

1950s whereas in the early 90s it was the Merchant, agro-industrial capital and increasing relations with the state. nevertheless the small scale peasant production underwent important changes. Its dependency on external forces i.e. market and the state increased. It became more commercialized and became a part of the wider economy. There was a clear indication of transition from the subsistence oriented farming to more commercialized family farming.

7.5 Changes in tenancy relations

The institution of tenancy always played an important role in Palaparru, It underwent significant changes during the last four decades particularly after the introduction of the green revolution in the late 60s.

The share cropping, fixed produce rent and usufructuary forms of tenancy which had some relevance in the 1950s have completely disappeared. The fixed cash rent which was mostly confined to tobacco cultivation and to the upper class tenants in the 1950s became most dominant form of tenancy arrangement in the early 1990s. Nearly 90% of the leased in area in 1991 was transacted under this arrangement only. The attached labour tenancy which had showed a declining trend during 1950-77. acquired now significance in recent years. During 1977-91 the proportion tenant households and area leased in under this arrangement increased.

been the significant increase in the extent and magnitude of tenancy. This observation goes against the findings of several micro and macro level studies which have reported steep decline in the area under tenancy during the last four decades.³

The introduction of the Tenancy Reform Act in 1954 and green revolution in the late 60s certainly had some negative impact on the growth of tenancy in Palaparru. But this trend did not last long. As the use of H.Y.V technology and chemical fertilisers and pesticides began to intensify after 1977, the extent of tenancy also began to increase simultaneously. This increase in the extent of tenancy was mainly due to large scale of out migration to urban centers and shift to non-farm activities by the well to do farmers. Most of these migrants preferred to lease-out their lands than to sell them as there was greater demand for leasing in than buying the land.

The transactions in the land lease market in recent years presents a complex picture. In most cases the land is transacted among relatives, close friends and people who belong to the same class background. This is more so in the case of upper classes. This observation has several implications. It does not correspond to the broad trends identified in the literature. First, the

3 Several micro and macro level studies on changes in tenancy relations have reported a trend of decline in the magnitude and extent of tenancy in the post-Independence period see Sharma (1994), Parthasarthy (1991). etc.. for a detailed review of these studies.

to the broad trends identified in the literature. First, the traditional variety characterized by the dominance of large land owners as rentiers and small and marginal holders as tenants. The second variety characterized by the dominance of lower categories of households as rentiers and medium and large landowners as tenants. The land lease market broadly appears to have been dominated by tenants and rentiers belonging to more or less the same class background.

In sum, the broad trends in labour, credit and tenancy relations during 1950-91 indicate that there were significant changes in the nature of relations between different agrarian classes. The old forms of dependency relations largely based on extra-economic compulsions declined in their significance and replaced by new forms of dependency based on capitalist market relations.

The introduction of the new agricultural technology and changes in the cropping pattern strengthened commodity relations and capitalist tendencies which brought the village economy closer to the wider market nexus. The cultivation became more extensively monetized because of the producers' needs for more and more costly inputs. The increasing monetary requirements of peasants particularly the lower strata among them to buy the inputs, brought them into the market more than ever before and they became increasingly vulnerable to the fluctuations of prices determined on a scale far beyond the village by the play of

national and international market forces. Cotton being an export crop this dependency on the outside markets also reflected in the marketing of the crop.

At the same time the potential profitability of H.Y.V. cultivation gave fillip to the expansion of capitalist production in agriculture. Yet it seemed that this expansion was already constrained because of the interlinked factors. Capitalist farmers could not easily expand their activities because of the land constraint and the difficulty of expanding the size of their farms. The continuous reproduction of small scale family based production made them to look for other profitable avenues. Some of them have migrated to urban centres and invested in non agrarian business activities (agro-processing industries, cotton trading, moneylending, real estate business, service sector etc.). The others who continued with cultivation also started diversifying their economic activities. This process of shift in occupations and diversification of economic activities by the rich brought important changes which have been mentioned in the previous pages on credit and tenancy relations.

The introduction of the new agricultural technology and changes in the cropping pattern though significant do not Adequately explain all the changes in labour, credit and tenancy relations. The strategic role played by the state in agrarian transformation is also crucial in understanding these changes. The introduction of adult franchise, elections to legislative bodies and the increasing intervention of state through various

public policies such as land reforms, expansion of institutional credit and a variety of anti-poverty programmes had a significant impact on the nature of changes in agrarian relations. The effects of these interventions are diverse and complicated. On the one hand they have created conditions for the rich to accumulate more wealth and on the other hand they also helped the poor to sustain and even to improve themselves to some extent. The role of formal institutional credit and other Welfare interventions was crucial in reproducing the small scale peasant production. In spite of all the deficiencies the net effect of these welfare interventions of the state on labour and employer relations was the increasing consciousness among the labourers to bargain for better conditions of work. There was an intensification of the direct access of the members of these classes to the state and its Institutions. In a sense the enhanced role of the state is crucial to understand the changes in agrarian relations.

GLOSSARY

adangal	= village land record
bazaar	= street
banjaru	= waste land
barn	= small tobacco processing unit
beeda	= poor
caranam	= incharge of village revenue records
chinna	= small
daadi	= attack
gutta	= contract
jeetham	= salary or payment made to attached labourers
jeethagadu	= attached labourer
kaapaladarulu	= watchmens
kapu	= employers belonging to the Kamma caste
kaulu	= lease or rent
koru kaulu	= share cropping arrangement
kostam	= cattelshed
kottavallu	= migrants
kuuli	= daily wage labourer
madyataragathi	= middle class
Mandal	= middle level administrative unit between the district and the villege
mootah maistrie	= group leader
palli	= a place where the ex-untouchable caste people live
pani	= work
pedda	= big
pucca	= solid, concrete

raitu/ryot	= farmer; peasant
sarpanch	= head of the village panchayat
vagu	= stream
vyaparastulu	= Merchants, traders
vuru	= main part of the village
udyogasbulu	= salaried employees

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APPENDIX-I

Field techniques to simplify recall

The present study employed the following field techniques to encourage the respondents to recollect quantitative information related to their family histories. These techniques are based on an understanding of how the villagers themselves recollect the timing of events and estimate quantities.¹

Data on demographic histories and land transfers

It was found that most villagers were ignorant of their age and other actual dates of changes in their family history. They could, however, describe the timing of an event by relating it to some other event in their family history (such as a marriage, a death or a birth of a child) or local history (severe drought or construction of a school or temple etc.). Even before the interview process began it was found that it was useful to compile a chronology of local events which most villagers could remember well. For example in the present study the communist movement (locally called communist daadi) 1950, major cyclone of 1977, introduction of cotton crop in 1969, electrification of the village in 1976, were used as useful reference points

¹ A detailed discussion on these techniques, their validity and limitations are elaborated in detail in the author's joint article with Lucia da Costa "Field methods for economic mobility in a book field work in developing countries edited by Stephen devereux and John Hoddinott (Harvester wheatsheaf, 1992 pp.102-123)

The exact dates of such events were carefully verified before using them. In the first instance, oral accounts differed from written accounts partly because the latter often referred to the district or taluk level and could not be generalized to all the villages. For example, during 1986 and 1999, the former Prattipadu taluk in which the study village is a part had been declared drought-prone by the Government of Andhra Pradesh. But only the unirrigated, cotton growing part of the taluk was actually affected by drought. The irrigated paddy region was not affected at all. Moreover, the identification of drought years varied among different classes. In this study area, when there was a drought in 1982, wage labourers suffered from falling wages. In spite of the in their yield of cotton, the farmers did not suffer as their returns were normal due to a hike in the price of cotton, In 1978, a year of good rains, exactly the reverse occurred Labourers found employment, and better wages, while farmers suffered as the price of cotton declined. Severe drought years were more easily identified as they to affected both labourers and farmers.

After verifying reference points, each random sample Interview began by identifying the ages of all the household members in 1991. 1969 and in 1954, by relating them to the dates of local events. The interviews then set out to reconstruct the dates of deaths, marriages and household partitions. A crude family tree was drawn up for each household, outlining their composition in 1950, 1969 and in 1991. This greatly facilitate

the questioning about each family member throughout the interview" [Appendix-1a quotes part of an original interview the author had with one villager, which illustrates this process.]

Although collecting dates of demographic changes was sometimes a tiresome process, yet it made further questioning on the dates of asset transfers much easier. First, demographic data, combined with the list of dates of local events, enabled us to draw on a store of reference points. Secondly, the exercise of dating demographic events mentally prepared the respondents to recall other facets of their family histories in a similar fashion. Finally, beginning the interviews with demographic questions was a polite way of showing an interest in the respondents, family, helped to develop a fluid rapport and anticipated at a later stage of intimacy when more sensitive questioning could commence.

The interview in Appendix-1a demonstrates how easily dates of land transactions could be determined once this vital of reference points had been established. It was also found useful to ask about current land ownership before proceeding to trace land transfers from the grandfather. At the end, all land transfers should add up to the current land owned. It was methodologically imperative to ask for information surrounding land transactions. such as the class of partners in transactions, the source of finance for purchase or conversion, why that transaction took place, and so on, in order to analyse land transfers correctly later.

In a similar manner the dates of other asset transfers (such as house purchases or construction), dates of adoption of new technology, changes in occupations, major loans taken, major illnesses and other crises, good and bad agricultural years, and migrations were identified.

Estimating quantities : determining occupational labour use ranks

Another set of interview difficulties relates to shorter-term recall of very detailed data on routine activity. Here the study focuses on problems involved in recollecting and estimating occupational patterns; that is, the amount of time spent on different occupations and on income earned from different activities within one year, for 1991. Extract figures were not available, but obtaining at least a rough estimate of such occupational activity was essential to classify households in the field and for later analysis.

Ranking occupations

Useful measures of the relative importance of different occupations include- (1) labour time spent on different occupations, and (2) Income occurring from each occupation. Occupations refer to activities within agriculture (that is class division such as hiring out labour, own labour. Tenancy and supervising labour etc.) as well as to occupation outside crop production (artisan work, merchant activity etc.)

When collecting occupational data it is important to cover a complete year because activities vary greatly from one crop season to another and with crop season from sowing season to harvest season. In an earlier survey by the author in Chittoor district it was found that most small peasants who owned only dry land mostly cultivated their own land in the first crop season (July-November). In the second and third crop seasons (December-June) they did labouring work or lease in wet land. In the first crop season they have enough work on their own land and even hire in labourers during the harvest season. The same peasants in the second and third crop seasons, however, work for others as labourers or tenants. Similar changes were found in the activities of wage labourers as the seasons changed. Landless labourers were well employed during the first crop season when both wet and dry lands were cultivated, but found only occasional non-agricultural work in the second and third crop seasons, such as collecting firewood or tamarind sale.

The optimum methodology for collecting time allocation and income data is to monitor each individual daily, but this is time consuming and intrusive. A more widely used method is to make an inquiry once or twice a month, asking villagers to record or recall their labour use and income for the preceding period. In studies where repeat surveys over the course of the entire year are not possible, however, the long-term recall method described below may prove to be a worthwhile option.

To construct proportions of (1) time allocated to different activities and (2) income earned from different activities, we followed several steps:

- * Listing all activities and discussing comparisons among them
- * Ranking activities according to their relative importance.
- * Constructing proportions.

It was found that villagers could list activities before 1950 and rank activities from 1950 onwards in terms of their first, second and their greatest contribution to overall time spent or to overall income.

To trace occupational change the reference years 1950, 1969 and 1991 were chosen which the villagers were most likely to remember. The respondents were asked to rank their occupations in terms of contribution to total income or the proportion of time allocated to them. The respondents were also asked to mention the dates of major changes in occupation or occupational pattern and to explain the circumstances surrounding these (for example if they were attributable to a land purchase to getting a salaried position, to investing in a tea stall, etc.). For 1991, a more or less precise estimates could be obtained, of the relative importance of time allocated to different activities and income derived from each activity. The data for the year 1991 was easily recalled because it was the year preceding the survey.

Labour use patterns were reconstructed by listing agricultural occupations, discussing comparisons among them and then ranking them in terms of labour use. Respondents suggest that dividing their labour use into sections based on how they estimated difficult quantities in their daily life. For example, a respondent might estimate proportions of his labour use as follows: 'Out of five days, three were spent on my own land and two on my leased-in land'. Alternatively, he might have gone directly to precise amounts: 'Last year we went for wage labour for three months in all - in stretches of ten days each.

The respondents then were asked to translate these estimates into approximate months or fractions of Booths out of twelve. These estimates were refined by inquiring about the months in which they were completely unemployed, employed for half days, doing exchange labour and performing non-agricultural work. The proportions were then adjusted accordingly until refined figures were arrived. The process continued until the respondent concurred with the final proportions.

This method could not be used to determine the extent to which a household hired in labour. For this rough figures were obtained by asking villagers one of the following questions.

1. How many days did you hire in labour and how many labourers were hired on each occasion?
2. What was the total wage payment this year and what was the average wage paid each time?

In a similar way data on income derived from each activity was obtained. The interview process began, as with the labour use proportions, by listing activities, discussing comparisons among them and ranking them. Then the respondents would suggest breaking their income down into parts, again based on how they ordinarily estimate difficult quantities. For example, a respondent might do one of the following:

- * Use fractions, as follows: 'Half of *my* total income comes from cultivation of my land, a quarter from wage labour and the remaining quarter is divided into half on selling milk and half on selling sheep' (that is, one eighth part from each of the last two activities).

- * Suggest a convenient unit, such as 5 rupees, and construct proportions as follows: 'Say my total income is 5 rupees. 2.5 comes from cultivation, 1.5 from wage labour, 1 from tenant work

After the respondents had constructed simple fractions or proportions, it was found very useful to ask them to imagine that their total income was Rs.100. They would immediately come up with revised estimates, and whenever they were not clear they would give a single estimate for two or more activities (such as wage labour). The figure Rs.100 gave them the flexibility to make further refinements on their proportions and to disaggregate groups (for example. wage labour into agricultural and non-agricultural wage labour). A simple example of the steps taken is shown in the following table:

Table 1. Constructing proportions for income from labour

1	2	3	4	5
Discuss agricultural activities	Rank them	Respondent fractions out of 5 units	Suggest Rs . 100 and refine	Disaggregate wage labour
Own farm	1	2.5	50%	45%
Wage labour	2	1.5	30% 30X	Agricultural 20*
Tenant	3	1.0	20% 25%	Non-Agricultural 10% 2&*

On the spot calculations were often made and referred to previous answers to test the accuracy of the respondents answers. If a gap was found, the respondents were offered a chance to reexamine answers and thus to report details they might have been trying to hide or had forgotten to mention and ask them to adjust the proportions accordingly.

Testing the validity of reconstructing proportions

Collecting data by this 'proportions method' is act totally precise and the author was conscious that the data gathered this way must be analysed with great care. Yet requesting the villagers to construct proportions compels them to adjust and refined original rankings, and as a result, at the very latest, the study obtained more disaggregated and superior ranking. Perhaps even more important, the process of asking villagers to estimate quantities this way led to a far more in-depth knowledge of the nature of different activities than would have been otherwise obtainable.

This method of data collection was originally designed and applied during the author's earlier field study conducted for Lucia da Corta in 1988 in Chittoor District, In order to test the reliability and statistical validity of this method the author conducted a separate field study in Palparru in 1990 before the field work for the present study began. The author compared the results of the proposed method with those acquired by a more sophisticated approach involving the collection of each and every detail of time allocation income and expenditure. In the first method respondents were asked to construct proportions directly; in the second method the author calculated proportions himself using details procured from the interviews. Thus the author collected two separate sets of statistics from nine cooperative respondents from different classes. While the proportions method took 30-40 minutes, this more detailed study took 3-4 hours. The results of the longer study were collected together with the rough observations and a pair wise statistical test was conducted to compare them. No statistically significant difference in the results was found.

APPENDIX 1A

EXCERPTS FROM AN INTERVIEW WITH A POOR PEASANT

(This interview is reproduced from the author's joint article with da Corta (da Corta and Venkateswarlu, 1992) As this interview was conducted as a part of another field study of a village in Chittoor district in 1980, the dates and events mentioned differ from the present study. For instance, in Chittoor the famine of 1952, the construction of a new school building in 1968 construction of a dam in 1978 were used as useful reference points.).

Eliciting dates of demographic change

Interviewer (I): Sir, how old are you ?

Respondent (R): My age... around 50 years, or one or two years more or less than 50. What do you think ?

I: (It is very difficult to guess his age.) Um, you look like around 50 years old. Sir, it seems that a long time ago people in this area suffered from major famine called the 'Gruel Famine'. Do you remember that famine ?

R: Oh yes ! How can I not remember the Gruel Famine ? I remember very well. [...]

I: How old were you during the Gruel Famine ?

R: I was this much. (Tries to show his height with his hand)

I: 'This much' means that you were six or seven years old ?

R: Yes ! - six or seven years old. In the famine year I was admitted to the first class in the school.[...]

I: If you were in the first class, it means you were six or seven years old then; not more. The Gruel Famine came in 1952. That means you are now 43 or 44 years old ?

R: Yes, you should be correct sir. I look like over 50 years old but I am young. Only one year back my youngest son was born.

(After establishing the date of birth of the respondent, the interviewer set out to reconstruct the dates of births, deaths, marriages and household partitions:)

I: Can you tell me the approximate age of your father during the famine and whether he was in a joint family with your grandfather and uncles or separated from the family ?

R: Sir, how I can tell my father's age ? I was small then. But one thing I remember very well, by that time only my father separated from my grandfather. It seems that two years after my father's marriage, the year I was born, quarrels between my mother and grandmother started. My grandfather decided it would be better for my father to have a separate establishment.

I: How many brothers and sisters did you have at the time of the Gruel Famine ?

R: I was the only child. I am the first born. Later after the famine my sister was born.

I: Sir, tell me at least this. In those days generally at what age did men get married ?

R: At a very young age. My father also got married at a young age. My father used to tell me a story. It seems he started moving around with girls after he started getting a moustache. He fell in love with my mother and had a premarital sexual relationship. My grandfather came to know about this and decided to get them married. It seems my father was only 17 years old then. My mother was a little younger than my father.

One could work out the approximate years of birth for the respondent and his parents, and the year of the respondent's parents' marriage and partition, as follows: his father got married at the age of 17 and partitioned two years after his marriage, and the respondent was born in that same year; the respondent is about 43 or 44 years old (that is his year of birth).

was 1944 or 1945), Thus, one can assume that his parents got married in 1942 or 1943. His father was about 17 years old at the time of the marriage and his mother was a little younger than him (by one or two years). So:

Respondent's year of birth: 1944 or 1945
Father's year of birth : 1925 or 1926
Parent's marriage year : 1942 or 1943
Mother's year of birth : 1926 or 1927
Father partitioned in : 1944 or 1945
During the Gruel Famine:
 Father's age : 26 or 27
 Mother's age : 24 or 25

The interviewer went on in this manner to reconstruct the approximate ages of members of the 1950 household.

Eliciting land transfers

I: Sir, when did you partition ?
R: I partitioned. .. twenty years 'ago.
I: Do you have any other clues ?
R: Sir, it happened exactly three years after my father's death. the same year my brother got married and my first daughter was born.
I: How old is your daughter now ?
R: She is about 20. Two years ago she got married.
I: Sir, do you have any other clue regarding the partition data ?
Twenty years ago the new school building was being constructed. Do you remember that incident ?
R: Yes ! - the same year my daughter was born.
I: (The school building was constructed 19 years ago. in 1969. It seems he partitioned in 1969, 3 years after his father's death Thus his father died in 1966.) Sir, can you tell a* about your father's land sales, purchases, development of dry land into wet land and encroachments [seizures of government land), if any ?
when did he first buy or sell the land ?
R: In the Gruel Famine [that is, 1952-3] my father purchased an aery of dry land from my uncle - who went to Tungabhadra Dam for work. He also purchased 0.75 acre of wet land and 1 acre of dry land in the same year when my sister was born. My father used to tell us that my sister brought Lakshmi [the goddess of money] to our family. That year we had very good rains and got profits from cultivation.
I: Can you tell me approximate age gap between you and you sister ?
R: Ten to twelve years.
I: (That is, in 1952-3, during the famine, his father purchased 1 acre of dry land from his uncle and in 1956 or 1957 his father purchased another 1 acre of dry land and 0.75 acre of wet land.)
Sir, next...
R: Next... 1 purchased 2 acres of dry land a year after my father's death. 1 managed to finance it by selling all the goats and sheep because after my father's death there was no one left in my family to look after them.

1: (One year after his father's death means 1967.) Any wore purchases or sales ?

R: I sold one acre of dry land to meet my brother's marriage expenses [that is, in 1969].