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## *The State of Agrarian Relations in India Today*

### I. INTRODUCTION

#### *Significance of the Agrarian Question*

When the CPI(M) endorsed a new programme in 2000, it did so in order to re-state and re-orient the strategy of the Party in circumstances that had changed greatly since the previous programme was approved in 1964. Nevertheless, despite the great changes of circumstance and in our understanding, two foundational formulations – critical to the Indian revolution and to any discussion of agrarian relations in India – remained, and provided crucial links between the old and the new. First, the new programme affirmed that the state in India is

the organ of the class rule of the bourgeoisie and landlords, led by the big bourgeoisie, who are increasingly collaborating with foreign finance capital in pursuit of the capitalist path of development.

The second formulation is the affirmation that:

The agrarian question continues to be the foremost national question before the people of India.

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although the two sentences that followed the second formulation were new:

Its resolution requires revolutionary change, including radical and thoroughgoing agrarian reforms that target abolition of landlordism, moneylender-merchant exploitation and caste and gender oppression in the countryside. The bankruptcy of the bourgeois-landlord rule in India is nowhere more evident than in its failure to address, much less solve, the agrarian question in a progressive, democratic way.

– as were, indeed, the paragraphs (3.16 to 3.23) that followed.

The significance of the agrarian question in India lies not merely in the fact that more than 70 per cent of India's population lives in rural areas (an important reason in itself), but in the fact that *the agrarian question is the axis of the people's democratic revolution*, and its overwhelming significance will remain as long as the people's democratic phase continues.

### *Definitional Issues*

In Marxism, the term 'agrarian question' can be seen as having three broad aspects or component parts. The first concerns the nature, extent and degree of the development of capitalism in the countryside. The second aspect or component part of the agrarian question concerns the nature of the classes that arise on the basis of the development of capitalism in agriculture. This aspect addresses, for instance, questions of the characteristics of landlordism, of the forms of differentiation of the peasantry, the nature of moneylenders and merchant capitalists in the countryside, and of the socio-economic characteristics of the rural labour force. The third aspect is concerned with class struggle: how and by means of what alliances are the classes that have been identified to be mobilized for a resolution of the agrarian question, that is, for a progressive transformation of production relations in agriculture and the socio-economic conditions in the countryside? The solution to the agrarian question thus requires an understanding of the specific conditions of capitalist development, class formation and class alliances and struggle.

*Aspects of the Productive Forces in Agriculture after 1991*

Before examining the question of the identification of classes in the countryside, we shall briefly review some aspects of the state of development of the productive forces in the post-liberalisation period.

It is generally recognised that the policies associated with liberalisation and globalisation, particularly as introduced after 1991, had a profound impact on rural growth and development. Some of these policies exacerbated tendencies that had existed in the economy; others represented significant new departures. In general, the new policy regime is identified with the reversal of land reform, change in the policies of administered agricultural input costs and output prices, cutbacks in public investment in rural physical and social infrastructure, the severe weakening of the institutional structure of social and development banking, the lowering of barriers on agricultural trade in agricultural commodities, on the import of agricultural products, the weakening of the public infrastructure for storage and marketing, cutbacks in the public distribution system, and the undermining of national systems of research and extension and mechanisms for the protection of national plant and other biological wealth. In short, privatisation was to be the pre-eminent mantra of the agricultural sector as it was of other sectors of the economy.

*Production and Area under Different Crops*

A detailed account of developments with respect to production and technology is outside the scope of this presentation. Nevertheless, I shall attempt a brief survey of issues, referring occasionally to the more detailed tables in the statistical appendix.<sup>1</sup>

First, food grain production grew over the 1990s, spurred mainly by growth in rice and wheat. Production dipped sharply in the period from about 1997-98 to 2003-04, and recovered after 2004 (Table 1 and 2). Yields grew steadily, other than in the same 1997-98 to 2003-04 period.

Secondly, the area under rice and wheat and production of these crops increased, though at a low rate, declining also in the 1998-2004 period.

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Thirdly, the production of millets has gone in to long-term stagnation (sown area has declined since the 1970s), a stagnation that derives from the absence of state control of inputs costs and procurement, and of poor extension.

Fourthly, the production of pulses is characterised by low levels and fluctuations in yields. Pulses are produced mainly under rain-fed conditions in India, and, given unfavourable price policies and poor extension, the spread of modern technology in pulse production remained low and uneven across States throughout the 'green revolution' period through the present. Stagnation in production and in the area sown with pulses continued through most of the post-liberalisation period.

Fifthly, there was a sharp rise in the production of oilseeds between the late 1980s and mid-1990s, generally associated with the quantitative restrictions on imports and technological modernisation introduced as part of the Technological Mission on Oilseeds. The liberalisation of imports of edible oils, however, exposed oilseeds producers to a beating from the international market. Quantitative restrictions on imports were removed, and import duties on edible oils reduced in the mid-1990s. Imports surged, and the area under oilseeds and oilseed production fell steeply. Import duties on edible oils were re-introduced in 2001. In recent years, on account of more favourable prices, the area sown with oilseeds and oilseed production have increased substantially.

Sixthly, the period from about 1998 to 2003-04 was, in overall terms, the period of most severe crisis in terms of production, area sown and (as we shall see further down) even private investment. Many things came together – the lagged effect of a decline in public investment, the withdrawal of state support to agriculture, the crisis in rural credit, the effects of the new WTO-driven trade regime, falling international product prices, and drought – to make this the worst period for rural India under liberalisation. To add insult to the injury of its reactionary policy regime, this was also the period during which, the BJP and NDA told the people, India shone.

### *Public and private investment*

Economists are familiar with the concept of complementarity between

public and private expenditure: when the state withdraws from investment in public works, infrastructure and programmes of mass employment, it robs the countryside of the foundations for growth and the means of poverty alleviation. In India, the decline in public investment in agriculture started in the 1980s and accelerated in the 1990s. By the end of the 1990s, public investment in agriculture and allied activities was only about 1.6 per cent of agricultural GDP and about 6.6 per cent of total gross capital formation in the public sector (Table 3).

Public investment in agriculture increased, however, after 2002. In particular, data on public-sector gross capital formation in agriculture at 2004-05 prices show a 42 per cent increase between 2004-05 and 2006-07. Of course, this came after a sustained period of decline, and took the form of partial recovery rather than real investment-enhancement (Table 3).

Data from the Central Statistical Organisation (CSO) show that private investment rose in the 1980s and 1990s. Although the CSO data on private investment are projections based on a very restricted database and are not wholly reliable, the fact cannot be ignored that some significant sources of private investment, albeit narrowly located in terms of class base and regions, continued to exist even during the period of liberalisation.

The data show unequivocally that the spread of agricultural mechanisation – the mechanisation of agriculture is, of course, a component of aggregate *private* investment – has been continuous (other than during the 1998 to 2003-04 period), and reflected in the figures on the consumption of tractors, power tillers, and motorised water-pumps.

For example, data on annual sales of tractors and power tillers (Figure 6) show a steep rise through most of the post-liberalisation period. Official data also show a significant increase in the ownership of selected types of machines between 1992 and 2003 (Table 4).

The consumption of chemical fertilisers rose, but was driven by the consumption of nitrogenous fertilisers, consistent with the hypothesis that the rich can diversify fertiliser consumption, while the chemical fertiliser most used by the poor is urea.

The data on electricity consumption in agriculture are particularly interesting; in the absence of direct data on class-wise consumption

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of electricity, they provide circumstantial evidence that the benefits from electricity consumption are skewed (particularly when taken together with evidence from national and village-level data on the skewed pattern of ownership of electric pumps). The overall consumption of electricity by agriculture rose, with a sharp policy-induced dip from 1997 and recovery after 2002-03. At the same time, the share of agriculture in total electricity consumption plummeted after 1997.

Further, the data on banking show that, during a general period of withdrawal of commercial banking from social and development objectives, cross-subsidisation declined, and big farmers and corporations obtained very large formal-sector loans and a very high proportion of formal-sector loans (see the section on credit below). Similarly, reforms (and proposed reforms) with respect to storage and agricultural marketing further intensify the drive to privatise, and to concentrate new incomes in the hands of big farmer-traders and corporate interests.

The lessons from the record of production and investment can be summarised briefly. The crisis of post-liberalisation agriculture represented an exacerbation of certain long standing trends in the economy; it also represented qualitatively new and unprecedented policy measures with regard, for example, to systems of administrative pricing, investment, international trade, the privatisation of different stages of production, storage and marketing, land reform and land use, research and extension, and intellectual property rights. Nevertheless, any view that the two-decade period from 1991 to the present was a period of *undifferentiated* crisis – that is, of deceleration, a general absence of dynamism and even retrogression across *all* classes, regions, crops and years – is not supported by direct observation or statistical data. The truth is more complex, and, to labour the word, more differentiated, than that simplistic characterisation.

### *Uneven Development, Regional Diversity*

India is a vast and living example of the rule that capitalism penetrates agriculture and rural society in a myriad ways. If the development of capitalist relations in agriculture is clearly the major trend, it is equally clear that agrarian relations are marked by national, regional and local

diversity, and by extreme unevenness in the development of capitalist relations of production and exchange.

The principle 'seek truth from facts' has been a hallmark of the agrarian studies of classical Marxism and beyond: while we study economic trends and trends in agriculture for society *as a whole*, our understanding must be moulded also by *local* conditions and forms of agriculture. Such sensitivity to local conditions – to agronomic and ecological conditions, to farming systems, to local social relations, to the history of land tenures, and to what Lenin called the '*scale and type of agriculture*' on individual farms – must characterise our study of agrarian relations. Variations in agrarian relations are not just a matter of differences in the level of development of the productive forces leading to some regions being more or less 'capitalist' than others; the crucial feature of capitalist development in agriculture is, as Lenin wrote, that 'infinitely diverse combinations of this or that type of capitalist evolution are possible.' If this formulation was true of old Russia (or old China), it is true too of India, where the material forces constituted by backward ideologies of hierarchy and status add immensely to the 'peculiar and complex problems' arising from spatial diversity.

## II. CLASSES AND CLASS DIFFERENTIATION IN THE COUNTRYSIDE

### *Introduction*

A village is a social complex of classes and other social strata, and the Indian village, in particular, is a swamp of inequity. The term 'village community' – at least insofar as the term 'community' is taken to mean a social group sharing common essential characteristics and interests – is a fiction. Capitalism and the market, particularly when superimposed on the kinds of backward pre-capitalist relations that prevail in India, are profoundly unequalising.

Central to the Marxist definition of the agrarian question is, as I have mentioned, the identification of the nature of classes that arise on the basis of the development of capitalism in agriculture. With regard to this objective as well, our task must be two-fold: on the one hand, to establish certain general theoretical categories and criteria in order to distinguish classes in the countryside, and, on the other hand,

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to identify classes *in situ*, that is, in the specific agro-economic and social circumstances that prevail in different regions and localities.

The three main sets of criteria that have classically been used to differentiate classes in the countryside have been: the ownership and control by households of the means of production (particularly, though not exclusively, land); the relative use of different forms of family and hired labour (particularly, though not exclusively, in the process of production in agriculture), and the surplus that a household is able to generate in a working year. It is immediately clear, of course, that these are factors that have changed greatly over time and vary greatly over space, and are influenced by circumstances within the village and without.

With these notes of caution in mind, we consider certain broad criteria for the identification of classes in the countryside.

### *Landlords and Big Capitalist Farmers* *Socio-Economic Characteristics*

Landlord households own the most land and generally the best land in most Indian villages, and the members of landlord households do not participate in the major agricultural operations on the land. Their land is cultivated either by tenants, to whom land is leased out on fixed rent or share, or by means of the labour power of hired workers.<sup>2</sup> Landlord families are, in general, historical participants in the system of land monopoly in the village. Landlords dominate not just economic, but also traditional social and modern political hierarchies in the village. It is absolutely essential to remember that — to quote E.M.S. Namboodiripad — ‘landlordism is not only an economic category but also social and political.’

Capitalist farmers also do not participate in the major manual operations on the land. The main difference between these capitalist farmers and landlords is that the former did not traditionally belong to the class of landlords. Some of them came from rich peasant or upper-middle peasant families that had a tradition of family labour, whose members, in fact, actually worked at major manual tasks even in the present or previous generation. Such families invested the surplus they gained from agriculture or other activities — including moneylending, salaried employment, trade and business — in land.



Agriculture was or became the focal point of their activity, and the basis of their economic power.

Capitalist farmers of this type may be of the traditionally dominant caste. They may also be from castes designated officially as Backward Classes. In any case, although their position in the ritual hierarchy may not be equivalent to the traditional dominant or ritually 'superior' castes, big capitalist farmers are also entrenched in positions of social and political dominance.

We term the biggest landholders in this category 'big capitalist farmers'. Their landholdings are in the same size bracket as that of the landlords, as are their incomes and overall ownership of the means of production and other assets.

The basis of the power of the landlords and big capitalist farmers is their control over land. Even where the main source of income is not agriculture, and even where landlords are in debt and running a balance-sheet loss, land is still the foundation of their power. However, land is not the only resource controlled by landlords and big capitalist farmers, nor is it their only source of wealth. Many are also involved in lucrative business activities, including, for example, moneylending, grain mills, dairying, trade and speculation in food grain and other agricultural, horticultural and silvicultural commodities, cinema theatres, petrol pumps, lodging houses, transport, the sale and lease of agricultural machinery, receiving incomes from financial assets, and so on. Landlord families seek entry into the institutions of state power – panchayati raj institutions and the higher legislature, the bureaucracy and police, and the legal profession – and are generally the first to take advantage of opportunities for higher education and modern organised-sector employment. This class is very clearly the main pillar of the class power of the ruling classes and the state in the villages. It follows, then, that it is the mainstay of the power of political parties of the ruling classes in the villages, and the class to which all bourgeois parties turn to deliver them the rural vote.

In our analyses of agrarian relations, we have generally included capitalist farmers other than big capitalist farmers (a few in number) in the class of rich peasants (for rich peasants, see discussion below).

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### *Control over Land and Other Means of Production*

Let us now look at the concentration of land and other forms of wealth in the hands of the rural rich.

With regard to inequality in the distribution of land holdings, the Gini coefficients for ownership and operational holdings computed from National Sample Survey (NSS) data show very high *levels* of inequality, and actually show an *increase* in inequality between 1960-61 and the most recent data.

Secondly, consider the concentration of land and wealth from villages that my colleagues and I have studied in different parts of India as part of the Project on Agrarian Relations in India (PARI) conducted by the Foundation for Agrarian Studies. Table 5 does not take up the class of landlords and big capitalist farmers as such, but compare the concentration of wealth in the hands of the richest 5 per cent of the population with the aggregate holdings of the poorest 50 per cent of the population. The villages cover different States and agricultural and socio-economic types. The tables, which show extraordinary levels of concentration of land and other assets, will be further explained in the presentation.

### *The Reversal of Land Reform as Policy*

Genuine agrarian reform alters class relations in favour of the working people, frees demand constraints and opens up home markets in the countryside, and provides a basis for broad-based productive investment. The promise of land reform was part of our freedom movement, a promise betrayed in practice by the ruling classes in the years following Independence.

In India today, land reform as conceived during the Independence movement and in the first decades after Independence, has been jettisoned by official policy, and reversed in certain areas in favour of counter-reform. Legislation is being considered and has been passed that raises ceilings to levels that undermine the objectives of land ceiling laws and make absentee farming by large owners and corporations a certainty. Such policies reduce the extent of land for redistribution, accelerate the loss of land by poor peasants and worsen inequalities in the distribution of land.

Despite the fact that India has an abundance – an overabundance – of land reform laws, and despite the popular misconception that land concentration has been broken up, estimates from official data show the chasm between potential and performance in India. Working with a ceiling of 25 acres a household, Surjya Kanta Mishra showed that ‘no less than 63 million acres of land would have been available in the mid-1950s and early 1960s for distribution among landless and land-poor farmer households’ (Mishra 2007). The reality, according to the Annual Report of the Ministry of Rural Development 2006-07, is that only 4.89 million acres of land were distributed over the first 60 years of Independence, and more than 20 per cent of that land was in West Bengal. A recent estimate by Vikas Rawal, based on the Survey on Land and Livestock Holdings (2002-03) by the NSSO (National Sample Survey Organisation) suggests that the *current* extent of ceiling-surplus land is more than three times the extent of land that has *ever* been redistributed under land reform.

This reversal of land reform – and its rejection as public policy – is not only an Indian phenomenon. Elsewhere in the world, in Latin America and Africa (South Africa, prominently), and in parts of Asia (the Philippines, prominently), the World Bank has pushed for what it calls ‘market-based land reform.’ It has also championed the reversal of all collective and public forms of cultivation in the European and Central Asian countries that were formerly part of the Soviet Union. This formulation is, of course, absurd: land reform is by its very nature a *non-market* intervention, undertaken by governments and people because markets cannot deliver that redistribution of land and assets that is essential for progressive social change. The term ‘market-based land reform’ is thus a contradiction in terms, and a cover-up for the abandonment of genuine land reform.

### *Manual Labour*

#### *Socio-Economic Characteristics*

At the other end of the spectrum of classes involved in agricultural production is the class of manual workers, whose major income comes from working as hired workers on the land of others and at tasks outside crop production.

In general, manual workers work on a wide range of tasks, and

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the set of skills necessary for most tasks in, say, a village are found among most manual labourers in that village. In recent years a new development in certain areas of crop diversification is the emergence of groups of agricultural workers with specialised skills – for example, betel-leaf workers in coastal Andhra and elsewhere, grape workers in Theni district, flower (including chrysanthemum and orchid) workers in Kolhapur district, fresh-water fishery workers on the east coast, and so on. Such workers spend all or most of the working year at the specialised tasks (and in some cases, run a closed shop vis-à-vis the entry of miscellaneous workers into these jobs).

This section of the paper is termed ‘manual workers’ rather than ‘agricultural workers’ (with another sub-title for ‘nonfarm’ workers) because it is no longer possible (nor particularly helpful) to separate a *class* of non-agricultural workers from the larger pool of manual workers – that is, to recognise rural farm and non-farm workers as discrete categories – in most villages. The typical rural manual worker today can be characterised more as a ‘miscellaneous worker in rural society’ than as solely an agricultural worker.

Most manual workers are casual workers who work at daily-rated tasks or for piece-rates. Some, however, are annual workers: farm servants who do agricultural, non-agricultural and some domestic tasks for a single employer for a monthly wage (and generally on an annual contract).

Manual workers can also have other sources of income. These can include, for instance, animal husbandry, petty vending, domestic work and miscellaneous low-remuneration jobs in the private sector.

For historical reasons, in most regions, a majority or a large proportion of Dalit households and households belonging to other region-specific oppressed castes, belong to the class of manual workers. Nevertheless, since manual work remains the rural occupation of last resort, manual labour tends to be the most caste-heterogeneous class in village society.

How far does the agricultural labour force constitute a rural proletariat? In Marx, a proletarian is one who possesses a double freedom: he or she is free from ownership of the means of production, and free to sell their labour power to the employer of their choice.

A feature of India’s agrarian history, and one of continuing relevance to production relations in agriculture, is that the creation of

a propertyless labour force in Indian agriculture, a 'specially repressed' class of agricultural labourers, considerably pre-dates capitalist relations in agriculture and the onset of colonial rule. Irfan Habib dates the emergence of agricultural labour as a separate class to the first millennium AD, the period that saw, he says, 'the completion of the great division between the peasantry and landless labour.' He says that this section of the people was 'largely created out of the food-gatherers and forest folk who had already been converted into ostracized *jatis* during the five centuries before Christ'.

Today, many manual workers are landless, the legacy both of historic exclusion from land ownership and of modern processes of differentiation. Manual workers may also cultivate, as owners or tenants, small plots of agricultural or homestead land, and it is often difficult to draw a clear line between this latter section of agricultural workers and the poorest sections of the peasantry. There are also workers, such as *siri* workers, in, for instance, Haryana or Sri Ganganagar district in Rajasthan, who combine in themselves features of share-tenant and long-term worker. The extent to which manual labourers are landless (and the general degree of landlessness in village society) can, of course, vary widely. In general, landlessness among manual workers is higher in areas of relatively high irrigation (particularly surface irrigation) and high population density than in dry areas with low population densities (although there are interesting and important exceptions to the general rule).

To restate the proposition: a wage labourer or proletarian is a hired labourer who is propertyless and is free to sell his or her labour power to the employer of his or her choice. This is in contrast, for instance, to a bonded labourer, who, though a hired labourer all right, is unfree to choose his or her employer. In practice, the freedom of the wage labourer to sell his or her labour power is often subject to constraints, and between proletarian labour and the labour of dark bondage intervene many gradations, nuances. From the standpoint of the evolution of socio-economic relations, then, the crucial difference is that between the freedom of workers who can sell their labour power to the employers of their choice and the unfreedom of those who cannot.

A whole set of factors works towards the commoditization of labour power, towards impersonalizing the relationship between

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worker and employer and establishing the freedom of the worker to sell her labour power to the employer of her choice [to be discussed further in the presentation]. At the same time, many factors continue to work against the dissolution of constraints on the free sale of labour power. To begin with, unfreedom continues because workers cannot just opt out, walk out of the village and find a job elsewhere in a place and occupation (in a town and factory, for instance) where they will be free. A labour force that is far in excess of the means of employment is trapped within the village; it is little wonder that the scale of poverty and unemployment, amidst growth, remains Himalayan.

Combined with poverty and unemployment are other factors that work against the dissolution of unfreedom in employer-employee relations: the social and economic dominance of a small group of landlords and rich capitalist farmers; caste discrimination and the practice of untouchability; severe discrimination against women; indebtedness and usury; widespread illiteracy and the slow rate of spread of primary and secondary education among the poor, and especially among women and people of oppressed social groups; and in general the slow penetration of scientific culture in the daily lives of the people.

### *Issues of Rural Employment*

The decline of public investment in agriculture, the decline in direct agricultural extension and information dissemination, and the consequent decline in agriculture itself have had a direct impact on the number of days of employment that a hired worker in rural India receives. So has the process of agricultural mechanization.

There are not good enough macro-data on the number of days of employment, agricultural and non-agricultural, per worker per year in India. Not only do the data from the Rural Labour Enquiries appear intuitively to be incorrect, but it is also well recognized that employment data from micro-studies show consistently lower volumes of employment than Rural Labour Enquiry data. There remain major conceptual, definitional and methodological reasons for this divergence; such divergence is also caused by the simple distortion of official statistical information.

Across India, micro-studies show the average number of days of

employment available to manual workers to be very low indeed. Illustrations are in Tables 6, 7 and 8.

An immediate caveat has to be entered here. The tables do not refer to the total number of days of all types of work undertaken by manual workers, but only to the days of work for which a worker receives a wage or wage-like payment. In particular, it does not include the time spent on self-employment in animal husbandry, in forms of other small-scale non-farm employment, in fuel- or water-collection, in collecting forest produce, in productive activity on homesteads, or other such activity.

Even with these qualifications, the average number of days of employment available to a male worker in a manual worker family in the villages we surveyed was about 101 days, and, for a women, 84 days. In each village the proportion of workers who received more than 180 days of employment in a year was also low, with an average of 13 per cent. This figure was much lower for women, ranging from zero in one village to a high of only 18 per cent. A striking example of decline in the number of days of employment available to a working family comes from south coastal Andhra Pradesh. In 1976, P. Sundarayya reported that an agricultural labourer family received, on average, 247 days of employment in a year. Our survey data showed that manual worker households in the same village, Ananthavaram, obtained an average of 195 days of employment in 2005-06.

We have seen, then, that the average number of days of paid employment available to a manual worker is low.

*Non-agricultural employment.* An important lesson from rural development experience in India and elsewhere in less-developed countries is that schemes for large-scale employment of hired manual workers or large-scale schemes for self-employment are *state-driven* and *state-financed*. The withdrawal of the state from state-sponsored employment schemes through the 1990s and early years of this decade is clear.

The major change in this regard came after the passage, under pressure from the Left, of the National Rural Employment Guarantee Act (NREGA).

According to official data, about 2836 million person-days of work were generated through NREGS in 2009-10. Data shows that there was a substantial increase in work generated through wage-

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employment programmes after the introduction of NREGS. Of the total employment generated under the programme in 2009-10, according to official data, the share of employment gained by women was 48 per cent, by Dalit workers 31 per cent, and by Scheduled Tribe workers 21 per cent. Official data also show that, in 2009-10, an average of 54 days of work were provided to each household that participated in the programme. While some reviews of the scheme indicate that the prospect of employment-generation under the scheme helped raise agricultural wage rates (Mehrotra 2008 and Dreze, and Khera 2009), a positive impact of NREGS on agricultural wages is yet to show up in the all-India data on rural wage rates (which are available until 2008-09) (Usami, forthcoming).

### *Some Comments on the Gender Composition of the Labour Force*

There appear to be a few noteworthy trends with regard to the gender composition of the labour force that have important implications for women's employment in agriculture and for the mobilisation of women in agricultural workers' organisations. The first occurs in situations where men are able to take greater advantage than women of the opportunities for non-agricultural labour, consigning women to the drudgery of agricultural tasks. Here, there is a feminisation of the agricultural labour force in three senses: first, the absolute number of female agricultural workers is higher than the number of male agricultural workers; secondly, the share of agricultural labour predominates over the share of non-agricultural labour in women's work profiles; and, thirdly, of the aggregate number of labour days worked by manual workers in agriculture, the major part is female labour. This is a trend that is consistent with the data from two of the villages that we studied in Andhra Pradesh, the Rayalaseema village and the north Telangana village.

The second trend is when, as more and more time-rated tasks are converted to piece-rates, and as piece-rates are monetised, crop operations are performed by large groups of workers among whom men predominate. Large groups of male contract-workers take over even those tasks, such as transplanting and harvesting, in which women predominated earlier. In this case, men outnumber women in the labour force, and male labour predominates in the aggregate number



of days worked by all manual workers in agriculture. This hypothesis needs further study and confirmation, but is consistent with our data from the southern coastal Andhra village of Ananthavaram. It must be tested for other parts of India.

Thirdly, the only entirely new sectors in which we have seen an expansion of female labour absorption per hectare in recent times has been in new forms of non-cereal production, for instance in floriculture in southern Maharashtra. This is still a specialized and niche form of cultivation, however, and is not a large-scale enough an employer of female labour anywhere to make a significant difference to average annual employment to the *class* of manual workers. There has also been an increase in female labour absorption per hectare in cotton cultivation.

Fourthly, and this is an important point when we consider female employment in large parts of India, traditional – and particularly socially- and caste-determined – impediments to the expansion of female work participation in manual labour remain, particularly among caste Hindu households.

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There is an important and self-evident policy conclusion that emerges from the data on employment conditions among rural workers. It is that whether the village is one that is characterised by relatively advanced agriculture, or by drought-prone conditions, state-financed schemes that create employment in a range of productive tasks, farm and non-farm, are essential if the long periods of joblessness in a working person's year are to be filled.

### *The Peasantry*

Peasant households, whose members work on all or some of the major manual operations on the land, constitute the sector of petty producers that lies between landlords and big capitalist farmers on the one hand, and manual workers on the other. While peasants have shown great resilience as a social category, having existed continually under different historical social formations, the hallmark of the modern peasantry is its subjugation to the capitalist market.

The populist (and eventually reactionary) image of the peasantry

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is of a homogenous rural group. Marxism recognises that the peasantry is neither homogenous nor a single class; on the contrary, it is marked by great heterogeneity, and is differentiated into socio-economic classes. The analysis of peasant differentiation and the identification of criteria to distinguish classes among the peasantry is specifically a *Marxist* concern – no other system of social or political thought gives this issue the same centrality in theory and as a guide to practice.

As part of our research, using the classical texts as guideposts, we have tried to work out broad criteria for the classification of peasants in the modern rural Indian context into different class categories. These criteria are as follows:

1. Ownership of the means of production and other assets.
2. The labour ratio, defined as the ratio between the sum of number of days of family labour, and the number of days of labouring out of members of the household in agricultural and non-agricultural work (in the numerator) and the number of days of labour hired in by the household (in the denominator).
3. Rent exploitation, that is, rent received or paid by the household.
4. Net income of the household, making separate note of the gross value of output from agriculture and the investment in agriculture per hectare.
5. The sources of income of the household.

Rich peasant households have the highest levels of ownership of means of production, particularly land and other productive assets, while, at the other end of the spectrum, poor peasants hardly have any productive assets at all other than small plots of land. In some villages, poor and lower-middle peasants are tenants, so do not own any land. With respect to the labour ratio, in general, the coefficient is above 0 but very low for rich peasants, generally in the vicinity of 1 among middle peasants (less than 1 for upper-middle and greater than 1 for lower-middle peasants), and greater than 1 among poor peasants.

Incomes can vary from high surpluses based on relatively heavy investments among the rich, to subsistence and even negative incomes among the poor (this is discussed in greater detail below). The income criterion was particularly important in resolving borderline problems in the classification of the middle peasantry into upper and lower sections.

A very important feature of the situation in some parts of the

country is that even middle peasants — particularly from Dalit castes, but also from other castes — households laboured out heavily. In our study of Ananthavaram in south coastal Andhra Pradesh, for example, poor peasants and all tenants were substantially and characteristically semi-proletarians with respect to days of labouring out, but with respect to hiring in, they were relatively heavy employers of labour. In fact, of all the days of labour worked by hired labour for wages, *no less than 42 per cent* came from the peasantry, particularly poor and lower middle peasants.

In most villages, it is difficult to draw an exact line that distinguishes the poor peasantry from manual workers.

### *Tenancy in the Contemporary Period*

Official data on tenancy are utterly inaccurate, as they do not capture informal tenancy contracts in any meaningful way (according to official statistics, only about 6.5 per cent of the operational holdings of households in rural India is leased in). Survey data, on the other hand, show that while there are large variations in the incidence of tenancy across regions, on the whole, the incidence of tenancy can be substantial. (Table 13)

Other than in States where the Left has been in power, tenancy contracts are almost invariably unregistered, oral and short-term.

Tenancy contracts across the country are marked by great diversity and complexity. With changes in cropping pattern and technology, forms of tenancy have changed and new tenancy arrangements have emerged in many areas.

Some extremely exploitative forms of tenancy have survived, and in some cases intensified, in certain study villages where agriculture is characterised by high productivity, mechanisation, and, in general, high levels of development of the productive forces. The paddy-growing regions of southern coastal Andhra Pradesh, or *siri* cultivation in parts of Haryana and Rajasthan, or seasonal tenancy among Dalit poor peasants in Bijnor district in western UP are examples of such areas. In Haryana, the introduction of specific forms of mechanisation was associated with increases in rent. When landlords began to provide water from tubewells or provided tractors for field-preparation, they raised rents as well. In coastal Andhra Pradesh,

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rents on paddy lands rose with productivity. In fact, a comparison of our data from Ananthavaram with studies made by Comrade PS shows that landowners extracted almost the entire increase in productivity of paddy that took place between 1974 and 2005-06 in the form of increased rent.

In some areas, 'lease' contracts combine features of tenancy with unfree forms of hired labour. We have mentioned the example of *siri* workers above; another example is from sugarcane-growing areas of Bijnor district in western UP, where landlords lease out small plots of land to farm servants for the cultivation of paddy after sugarcane is harvested.

Although both small and large landowners participate in the tenancy market as lessors and lessees, there are significant differences in the terms of contracts on which they obtain land across classes and social groups. In general, Dalit, landless and poor peasant households obtain land on high rents, often rack-rents. These tenancy contracts can be interlocked with employment and credit transactions. On the other hand, the rich lease in land on relatively easy terms, either from non-residents, from friends and relatives, or from poor landowners. Such 'reverse' tenancy – that is, the phenomenon of small, poor landowners leasing out land to rich cultivators – can be substantial in areas where poor landowners are unable to take advantage of technological transformation because they do not own non-land means of production or have access to funds for investment. The decline of public services – for example, of public irrigation in old canal-irrigated areas and a consequent dependence on privately owned tubewells – has contributed to creating conditions in which poor landowners lease out land to rich cultivators.

### *Peasant Differentiation: A Further Note*

As we have seen, capitalism in agriculture has followed different trajectories in different farming systems and agrarian regimes in the country. A drought-stricken area where there is a predominant sector of very low productivity agriculture has almost no tenancy and a relatively large sector of manual workers who *own* land, and are, therefore, not 'free' of ownership of the means of production. An unirrigated tract planted mainly with Bt cotton has a large landless

'free' labour force and almost no tenancy. Another regime is characterised by very high capital investment (including very high levels of mechanisation) and has large tracts that are cultivated by *siri* labour. An irrigated regime with very high levels of income and social and physical infrastructural development sees a major resurgence of tenancy.

Some of these phenomena, combined with the perceived impact of policies of globalisation and liberalisation, have led some to the suggestion that, in the post-1991 period, differentiation in the rural economy is no longer occurring, and has been replaced by an 'immiserisation' of the peasantry. I believe this formulation to be inaccurate.

In the first place, it represents a category confusion, since there is no reason why differentiation need be inconsistent with immiserisation. Nevertheless, the question remains and needs attention: in the different areas that we have discussed – and in the country in general after 1991 – has differentiation as a process stopped? To say yes to this, in my view, represents a somewhat mechanical and unilinear view of differentiation. First, although we expect that in the process of production, the middle is squeezed, the scope for proletarianisation widens, and a few accumulate capital and become rich peasants and capitalist farmers – we do not expect anywhere that differentiation leads, as a result of the passage of time, to an agrarian regime that is made up entirely of landlords on the one hand and proletarians on the other. Secondly, we need carefully to analyse the relations of production in specific agrarian regimes to discover what form differentiation takes in each regime. Thus, even in, say, coastal Andhra, where there has been a resurgence of tenancy, investigation shows also the extension of the proletarianisation process to ever-widening sections of the peasantry, and high rates of commercialisation and the accumulation of capital.

The definition of differentiation to remember in this regard is Lenin's classic formulation at the end of Chapter 2 of the *The Development of Capitalism in Russia*: 'The sum total of all the economic contradictions among the peasantry constitutes what we call the differentiation of the peasantry.'

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### *Peasant Incomes*

*Crop Incomes.* As a consequence of the new trade regime, Indian agriculture has been exposed, in a new and unprecedented way, to volatility in the international prices of food and non-food crops and, in the case of several commodities, prolonged periods of steep declines in prices (see, for instance, Ghosh 2005). The most important policies of the Government of India in this regard are, of course, the removal of quantitative restrictions on the import and export of a very wide range of agricultural commodities, including wheat and wheat products, rice, pulses, edible oils and agricultural seeds, and substantial cuts in import tariffs on crops. New incentives and support to exports of agricultural commodities will inevitably have an impact on land use and cropping pattern, as will the decision to 'decanalise' and allow and encourage private agencies in the agricultural export sector.

The Minimum Support Prices (MSP) announced by the Government to ensure remunerative prices have not compensated for the actual costs of production per unit of output for most crops in a majority of States. Further, the very policy of MSP has not been implemented in most States and for many crops.

The impact of these policies on incomes from agriculture has been highly differential across regions, crops and classes. This comes out clearly from our survey data from Andhra Pradesh, Uttar Pradesh, Maharashtra, Rajasthan and Madhya Pradesh. While a large majority of peasant households get meagre incomes, the incomes of landlords, big capitalist farmers and a section of the rich peasants in the villages studied by us (excluding the Adivasi villages) are substantial.

Our village data also show up a phenomenon that is new in its extent and scope, and has serious implications for the future of the peasantry: data from nine villages in the States mentioned above showed that 21 per cent of households (mainly poor peasants) actually had *negative* crop incomes. By contrast, the average agricultural income of households in the top decile was over 3.2 lakhs per household.

Not only do the data show that aggregate incomes from agriculture are highly unequal across cultivator households, they also show that there are large variations in the costs of cultivation and profitability across crops, and, for a given crop, across regions. Variations in the

profitability of crops across different classes are substantial. Data shows differences in gross output and net annual incomes from agriculture per acre of operational holding across villages and between cultivators operating smallest twenty and largest twenty land holdings. The data show that, given the concentration of land and other means of production in their hands, landlords and rich peasants are able to keep production costs lower than middle and poor peasants. In contrast, the poor peasants are forced to buy inputs at a higher unit price than the rich, and to pay rents for land and machinery. With more efficient input use, and better access to markets, landlords, big capitalist farmers and rich peasants also receive a higher income per unit of production than middle and poor peasants.

*Household Incomes and Income Inequality.* Average household and per capita incomes in rural India are very low, and the distribution of incomes characterised by very high inequality (Table 10).

#### *Rural Banking and Household Indebtedness*

Financial liberalization represented a clear and explicit reversal of the policy of social and development banking, such as it was, and contributed in no small way to the deprivation and distress of which the rural poor have been victims since the early 1990s.

It is well known that the burden of indebtedness in rural India is very great, and that, despite major structural changes in credit institutions and forms of rural credit in the post-Independence period, the exploitation of the rural masses in the credit market is one of the most pervasive and persistent features of rural life in India.

The main features of the post-liberalization phase are the following:

~ Social and development banking ceased to be official policy. The policy objectives of this phase are encapsulated in the *Report of the Committee on the Financial System*, a committee appointed by the Reserve Bank of India, which called for 'a vibrant and competitive financial system...to sustain the ongoing reform in the structural aspects of the economy'. The committee said that redistributive objectives 'should use the instrumentality of the fiscal rather than the credit system' and, accordingly, that 'directed credit programmes should be phased out'. It also recommended that interest rates be deregulated, that capital adequacy norms be changed (to 'compete

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with banks globally'), that branch licensing policy be revoked, that a new institutional structure that is 'market-driven and based on profitability' be created, and that the part played by private Indian and foreign banks be enlarged.

~ The expansion of public-sector rural banking was ended, and a large number of rural branches of commercial banks were actually shut down after 1995. Although some new branches were opened after 2007, data suggest that the increase has not fully covered the decline that took place between 1995 and 2007. Also, it has been shown that the new branches were not necessarily opened in villages that did not have any bank branch, and consequently, number of villages that had a branch has increased much less.

~ The credit-deposit ratios of rural commercial bank branches fell sharply between 1991 and 2004.

~ Inter-State inequalities in rural banking increased, and regions where banking has historically been underdeveloped suffered the worst.

~ Priority-sector advances fell, and, with that, so did the shares of credit to agriculture, to cultivators owning two hectares or less, and to Dalit and Adivasi households (Table 13).

~ In respect of the share of formal-sector credit, data from our primary studies show three of patterns. First, in some villages, the informal sector accounts for the major share in outstanding credit of households. Secondly, semi-formal unregulated sources of credit have become the dominant source of credit in some villages, displacing formal as well as informal sources of credit. Thirdly, in some villages, households do not have access to informal credit and, thus, the formal sector accounts for a large share of total credit.

There was a partial recovery in the aggregate provision of formal-sector credit to rural areas after 2001. While the supply of rural credit started to increase in 2001, the major expansion in provision of rural credit, and a clear change from the earlier policy of withdrawal of formal-sector banking from rural areas, took place from 2004. It is noteworthy that, by 2008, the credit-deposit ratio of rural branches of scheduled commercial banks went back to the level in 1991. Trends in public investment show that the share of agriculture and allied activities in total public investment also started to increase in 2004-05. Nevertheless, as Ramakumar and Chavan (2007) have shown, credit expansion in the 2000s was highly skewed in favour of the rural rich and corporate entities. It was thus qualitatively different from the



expansion of rural credit in the 1970s and 1980s, and unequivocally did not represent a return to social and development banking.

Recent data, however, indicate that even this 'recovery' was short-lived and various indicators of supply of credit to agriculture have started dipping once again.

~ An important aspect of the policy framework in respect of rural credit in the period of financial liberalisation was the central role given to microfinance in the delivery of rural credit. Unregulated microfinance was considered to be an efficient instrument for the delivery of rural credit, particularly to asset-poor borrowers. It was also considered to be the best way to deregulate rural financial markets, since microcredit groups were left free to provide loans without conforming to any regulation of interest rates.

There is, however, substantial evidence to show that unregulated microcredit is very expensive for the borrowers, with interest rates similar to rates charged by informal lenders, and that its impact on alleviation of rural poverty is marginal at best. Micro-finance loans are typically very small; borrowers use them to tide over temporary consumption shortfalls and not for making long-term productive investments.

In the early years of financial liberalisation in India, the expansion of micro-finance was led by NGOs and financed primarily by formal-sector banking institutions. As part of the economic reform policies, all credit-linked development schemes were to be implemented through self-help groups. The establishment of self-help groups has been promoted in India through various government schemes and institutions. Lending by banks to microcredit institutions was considered to be lending to 'weaker sections' and therefore a part of their priority-sector commitments.

In recent years, there has been a surge of private corporate interest in microcredit. A number of non-banking finance companies have utilised availability of cheap credit for microcredit from formal-sector banking institutions to enter the rural microcredit market. More recently, some of these companies have also mobilised funds through bonds and equity markets.

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### *The Agricultural Research and Extension Constraint*

#### *Points for discussion:*

1. The new trade and patent and general policy regime weakens public-sector national agricultural research systems and open-access international research institutions. Further, this regime infringes on the rights of Indian farmers and plant breeders and threatens to lead, in the words of India's leading agricultural scientist, 'from biodiversity to genetic slavery.'
2. A significant new aspect of globalization and the agrarian economy is the new intervention by U. S. corporations in agricultural policy, research and policy-making institutions.
3. One of the greatest casualties of liberalization in the agricultural sector in India is the public-sector crop-extension system, that is, the system of information transfer 'from lab to land.'

### *Corporate Farming, Contract Farming, Land Acquisition*

#### *Points for discussion:*

1. Distinguish between corporate farming and contract farming.
2. In recent years, land acquisition has become an issue of immediate relevance in India and internationally. The issues surrounding land acquisition in a situation where the agrarian question is unresolved and vast sections are small producers is different from land acquisition where fundamental changes in agrarian relations have occurred (as, for example, in China or Vietnam).
3. Matters of concern in land acquisition, corporate farming, contract farming.

(i) The eviction and displacement of vulnerable populations, and the question of just compensation.

(ii) Land acquisition or large-scale farming should *improve* lives and livelihoods, not *increase* the numbers of the hungry and the homeless.

4. If land use policy is to be equitable, environmentally sustainable, and protective of national sovereignty, it cannot be left to the market, much less to big corporate interests. Land use policy demands *planned* intervention and *public* action.

(i) the objective of food security and national food sovereignty (for India) cannot be compromised by changes in land use and cropping pattern.

(ii) The state must ensure the preservation of the balance between forest, farmland and non-agricultural land.

(iii) Issues of livelihoods and incomes must not be posed as being in conflict with considerations of public policy such as food sovereignty or natural resource management.

5. Our position on land acquisition must clearly be distinguished from those who (i) oppose land acquisition per se; (ii) oppose industrialisation; or (iii) romanticise petty production, and fail to recognise the drudgery of peasant labour or the inefficiencies of production on fragmented holdings.

### III. SECTIONAL DEPRIVATION AND OPPRESSION

There is no 'agrarian question' in India to which the issues of caste, tribe, gender and other forms of social exclusion and discrimination based on hierarchies of status are not intrinsic. It is in rural India that such discrimination has its source and where deprivation and social exclusion are most acute.

With regard to the people of the Scheduled Tribes, it is possible to make, for descriptive and analytical purposes, a distinction between Adivasi households that live as a segment or group in multi-caste villages where regular seasonal lowland agriculture is practised, and villages that can be characterised as 'tribal villages,' often located in 'tribal regions', in which Adivasi households constitute the overwhelming majority (or totality) of households.<sup>3</sup> Data from the first type of village show the people of the Scheduled Tribes to be – in terms of incomes, education, housing, formal sector employment, and a host of other development indicators – consistently the worst-off group in a village. With regard to the latter type of village, they are (and are located in regions that are) still characterised by *underdevelopment of a special kind*, manifested in levels of technological change and economic growth, human development and social infrastructure, and people's livelihoods and incomes, that are qualitatively lower than in non-Adivasi villages. These villages are also distinct with respect to farming systems.

In India today, the practice of agriculture as traditional craft can be said to survive, above all, in the Adivasi villages of the country. Farming is generally restricted to kharif cultivation, and low levels of technological change have resulted in low levels of production and

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productivity. A consequence of very low levels of agricultural technology is that almost all labour on a family holding is family labour. Many households hire in no labour at all, and some households still exchange labour.

The continuing role of *gathered* sources of subsistence is a distinctive feature of Adivasi household economies. For example, in an earlier time, the tribal people of Dungariya (Udaipur district, Rajasthan) gathered mahua flowers, tendu leaf, honey, other fruit, flowers and medicinal plants from the forests and hunted partridge, grouse, hare, deer and wild boar. They also collected firewood and wood for house construction and ploughs and rudimentary household furniture, mainly cots. Today, collection is mainly of wood (firewood and wood for small-scale construction and implements) and mahua flower. Other forest products, collected in small quantities but important for subsistence, are resin, bamboo, fruit (including dates), grass, honey, castor and *gunda*, *timbru* and *kambar* (for none of which we have yet found the English translation!).

The Adivasi population of India – as peasants, subsistence-seekers from forest and other common property resources, rural manual workers and unskilled urban migrants – are the most impoverished of the rank and file of India's reserve army of labour.

In any case, average incomes in Adivasi villages are very low, and income-poverty is accompanied by asset-poverty and poverty with respect to a wide range of human development indicators. The most important household assets are often essentially non-tradable commodities: agricultural land (over which title is often informal), huts and livestock-sheds.

While such examples can be multiplied, and while each needs careful and detailed empirical research, a crucial generalization from the evidence can and must be made: *the system of socio-economic class in rural India does not exist independently of caste discrimination and other forms of sectional deprivation.*

#### IV. SUMMING UP: WHAT DOES 'RESOLVING THE AGRARIAN QUESTION IN INDIA' IMPLY?

When India gained Independence 63 years ago, the major economic problems of the newly independent nation could be characterised

thus: hundreds of millions of India's people lived in the depths of income poverty, in conditions of hunger, illiteracy, lack of schooling, avoidable disease, and subject to what were among the worst forms of class, caste, and gender oppression in the world. The truly appalling feature of more than six decades of independent development is that that characterisation of India's economic problems remains true even today.

The basic reason is clear: modern historical experience has shown us that no fundamental transformation of conditions of poverty and oppression in Indian society is possible without a resolution of its agrarian question.

The Indian countryside needs nothing less than revolutionary change, agrarian transformation that targets landlordism, and caste and gender oppression. To solve the agrarian question is

- ~ to free the countryside of all forms of landlordism, old and new
- ~ to free the working peasantry and manual workers from their present fetters of unfreedom and drudgery and to guarantee them the means of income and livelihood
- ~ to redistribute agricultural land
- ~ to provide the rural working people with house-sites, and basic, clean, sanitary homes and habitations
- ~ to create the conditions for the liberation of the people of the scheduled castes and tribes, of women, and other victims of sectional deprivation
- ~ to ensure universal formal school education
- ~ to achieve the general democratisation of life and progressive cultural development in rural India.

It is a distinguishing feature of the Indian state that there is no permanent policy regime in place to deal with a single one of the issues listed above.

Consider the alternative to the resolution of the agrarian question, the terrifying possibility that thirty-seven years from now, when India celebrates the hundredth anniversary of its Independence, hundreds of millions of its people continue to live in conditions of destitution and social oppression, far from the goal to which all civilised people aspire, the free development and self-realisation of all human beings.

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## NOTES

- <sup>1</sup> All tables and figures are in the Statistical Appendix.
- <sup>2</sup> Those landlords whose surpluses come mainly from the labour of hired manual workers are called capitalist landlords.
- <sup>3</sup> The reference here is particularly to areas other than the States of the North-East, whose characteristics are distinct.

**Table 1** Annual rate of growth of yield of major crop groups, 1967-81, 1981-91 and 1991-2010 in per cent

	1967-81	1981-91	1991-2010
Cereals	2.11	3.64	1.61
Pulses	-0.59	1.94	0.42
Food grain	1.83	3.51	1.51
Oilseeds	0.68	3.10	1.47
Cotton	2.26	2.32	3.06
Sugarcane	1.30	2.01	1.63

*Source:* Calculations based on data from Agricultural Statistics at a Glance, 2010.

**Table 2** Annual rate of growth of production of major crop groups, 1967-81, 1981-91 and 1991-2010 in per cent

	1967-81	1981-91	1991-2010
Cereals	2.56	3.32	1.45
Pulses	-0.11	1.7	0.33
Food grain	2.29	3.2	1.37
Oilseeds	1.45	6.41	1.96
Cotton	2.26	2.06	4.37
Sugarcane	2.53	4.02	1.44

*Source:* Calculations based on data from Agricultural Statistics at a Glance, 2010.

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**Table 3** *Gross capital formation (public-sector) in agriculture and allied activities, constant prices, in Rupees crores*

Year	Gross capital formation (public sector)				
	1993-94 prices (Rs cr)	1999-2000 prices (Rs cr)	2004-05 prices (Rs cr)	As a percentage of GDP from agriculture and allied activities	As a percentage of gross capital formation in all activities
1960-61	2400			1.8	11.2
1965-66	3276			2.1	10.5
1970-71	3216			1.8	11.9
1979-80	7141			4.2	13.9
1980-81	7301			3.7	15.6
1981-82	7130			3.6	12.0
1982-83	7092			3.7	11.2
1983-84	7196			3.4	11.6
1984-85	6921			3.4	10.5
1985-86	6213			3.3	9.4
1986-87	5864			3.2	8.3
1987-88	6045			3.3	9.8
1988-89	5699			2.8	8.6
1989-90	4972			2.5	7.2
1990-91	4992			2.3	6.8
1991-92	4376			2.0	6.3
1992-93	4539			2.0	6.5
1993-94	4918			2.0	6.9
1994-95	5369			2.2	6.8
1995-96	5322			2.2	7.4
1996-97	5150			2.0	7.6
1997-98	4503			1.8	6.9
1998-99	4444			1.6	6.6
1999-00	4756	8670		1.9	6.0
2000-01	4417	8085		1.8	5.7
2001-02		9711		2.1	6.6
2002-03		8733		2.0	6.4
2003-04		10805		2.3	7.0
2004-05		11038	16182	2.9	7.4
2005-06			19909	3.4	7.6
2006-07			22978	3.7	7.9

*Source:* Thulasamma (2002), EPW Research Foundation (2002), Agricultural Statistics at a Glance (2007, 2008, 2009, and 2010).



**Table 4** Numbers of selected types of machines, 1982, 1992 and 2003, rural India in hundred units

Types of machines	Years		
	1982	1992	2003
Power operated sprayer/duster	1158	2917	5546
Diesel engine pumpsets used in agriculture	32282	44812	70927
Electric pumpsets used in agriculture	34160	58128	78957
Power tillers used for agricultural purposes	755	3209	2682
Tractors used for agricultural purposes	4982	11815	22600
Combine harvester	386	3991	4073

Source: Livestock censuses.

**Table 5** Share of agricultural land owned by the 5 per cent of households with the largest ownership holdings and the 50 per cent with the smallest ownership holdings, selected villages in per cent

Serial no.	Village	Year of survey	Share of agricultural land owned by	
			top 5%	bottom 50%
1.	ANANTHAVARAM, Guntur dist., south coastal A.P.	2006	54	0
2.	BUKKACHERLA, Anantapur dist., Rayalaseema region, south-west A.P.	2006	33	17
3.	KOTHAPALLE, Karimnagar dist., North Telangana region, north A.P.	2006	41	1
4.	HAREVLI, Bijnor dist., Western U.P.	2006	39	2
5.	MAHATWAR, Ballia dist., Eastern U.P.	2006	40	6
6.	WARWATKHANDERAO, Buldhana dist., Vidarbha region, Maharashtra	2007	35	10
7.	NIMSHIRGAON, Kolhapur dist., Marathwada region, Maharashtra	2007	24	5
8.	DUNGARIYA, Adivasi village, south Udaipur dist., Rajasthan	2007	23	18
9.	25 F GULABEWALA, Sri Ganganagar dist., Ganga Canal region, Rajasthan	2007	43	0
10.	GHARSONDI, Gwalior dist., M.P.	2008	44	6
11.	ALABUJANAHALI, Madhya dist., Karnataka	2009	26	8
12.	SIRE SANDRA, Kolar dist., Karnataka	2009	31	16
13.	ZHAPUR, Gulbarga dist., Karnataka	2009	49	2
14.	DHAMAR, Rohtak dist., Haryana	Dec 01-Jan 02	36	4
15.	BIRDHANA, Fatehabad dist., Haryana	May 2003	74	0
16.	PALAKURICHI, Nagapattinam dist., T.N.	2004	74	0
17.	SATHANUR, Thanjavur dist., T.N.	2004	39	0

Note: Agricultural land includes net sown area and current fallows.

Source: Survey data.

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**Table 6** *Share of value of assets (land, and other productive assets, and all assets) owned by the 5 per cent of households with the largest assets holdings and the 50 per cent with the smallest assets holdings, selected village, (per cent)*

Serial no.	Village	Year of survey	Share of land and other productive assets owned by		Share of total assets owned by	
			top 5%	bottom 50%	top 5%	bottom 50%
1.	Ananthavaram (AP: south coastal)	2006	65	1	60	2
2.	Bukkacherla (AP: Rayalaseema)	2006	46	8	42	10
3.	Kothapalle (AP: north Telangana)	2006	54	5	45	9
4.	Harevli (UP: western)	2006	45	2	43	3
5.	Mahatwar (UP: eastern)	2006	43	6	38	9
6.	Nimshirgaon (Mah: Kolhapur)	2007	41	7	41	9
7.	Warwat Khanderao (Mah: Vidarbha)	2007	66	0	26	6
8.	25 F Gulabewala (Raj: Sri Ganganagar)	2007	39	0	35	0.6

*Note:* Land includes all the agricultural, non-agricultural, and homestead land also.

*Source:* PARI Survey data.

**Table 7** *Manual worker households as a proportion of all households, selected villages in per cent*

Village, State	Year of survey	Proportion of manual worker household
Ananthavaram (AP: south costal)	2006	31
Bukkacherla (AP: Rayalaseema)	2006	24
Kothapalle (AP: north Telangana)	2006	25
Harevli (UP: western)	2006	40
Mahatwar (UP: eastern)	2006	12
Nimshirgaon (Mah: Kolhapur)	2007	45
Warwat Khanderao (Mah: Vidarbha)	2007	29
25 F Gulabewala (Raj: Ganganagar)	2007	47
Gharsondi (MP: Gwalior)	2008	29

*Note:* "Manual worker households" are households that gain 50 per cent or more of total income from agricultural and non-agricultural labouring out.

*Source:* PARI Survey data.

**Table 8** Average annual number of days of employment obtained per manual worker in manual worker households, by sex, selected villages

Village, State	Year of survey	Average number of days of employment	
		Male	Female
Morazha (Kerala)*	2000-01	69	42
Dhamar (Har)	Dec 2001-Jan 2002	103	44
Birdhana (Har)	May, 2003	102	46
Ananthavaram (AP)	2006	92.0	71
Bukkacherla (AP)	2006	112	80
Kothapalle (AP)	2006	78	101
Harevli (UP)	2006	131	75
Mahatwar (UP)	2006	150	28
Nimshirgaon (Mah)	2007	104	114
Warwat Khanderao (Mah)	2007	86	103
25 F Gulabewala (Raj)	2007	114	51
Gharsondi (MP)	2008	96	65

Notes: \*Data for primary agricultural workers only (N=186).

“Manual worker households” are households that gain 50 per cent or more of total income from agricultural and non-agricultural labouring out.

Source: Survey data.

**Table 9** Proportion of worker who gained employment for 180 days or more in a preceding year, in manual worker households, by sex, selected village, in per cent

Village, State	Year of survey	No. of workers worked more than 180 days			Worker got more than 180 days employment in the proportion of all workers		
		Male	Female	All	Male	Female	All
Ananthavaram (AP)	2006	55	8	63	12	2	8
Bukkacherla (AP)	2006	21	12	33	21	9	14
Kothapalle (AP)	2006	32	35	67	22	16	18
Harevli (UP)	2006	24	1	25	29	2	17
Mahatwar (UP)	2006	42	8	50	41	12	30
Nimshirgaon (Mah)	2007	56	39	95	14	18	16
Warwat Khanderao (Mah)	2007	21	18	39	11	10	10
25 F Gulabewala (Raj)	2007	20	0	20	18	0	7
Gharsondi (MP)	2008	18	7	25	16	9	13

Note: The figures do not include monthly and annual contract wage employment.

Source: PARI Survey data.

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**Table 10** Average per capita household income of poorest and richest 20 households, PARI villages in 2008-09 prices

Village	Poorest 20 households	Richest 20 households
Ananthavaram*	1678	108534
Bukkacherla*	284	33766
Kothapalle*	1507	47377
Harevli	1634	52041
Mahatwar	753	18985
Warwat Khanderao	1353	43251
Nimshirgaon*	3544	71604
25 F Gulabewala	1826	163302
Gharsondi	-1658	144211

*Notes:* \* For these households, averages are of sample households.

Incomes were converted to 2008-09 prices using State-level CPIAL.

*Source:* PARI Survey data.

**Table 11** Share of priority sector and agricultural loans in outstanding credit in per cent

Year	Priority sector	Agriculture
1981	36	17
1985	40	17
1986	41	17
1988	44	17
1991	38	15
1995	34	11
1996	33	11
1997	35	11
1998	35	11
1999	35	10
2000	37	10
2001	33	10
2002	33	10
2003	32	11
2004	35	11
2005	36	11
2006	36	12
2007	34	11

*Source:* Data taken from RBI, *Statistical Tables Relating to Banks in India*, various issues, and RBI, *Basic Statistical Returns of Scheduled Commercial Banks in India*, various issues.

**Table 12** *Shares of the formal and informal sectors in the total outstanding debt of households, illustrative list of villages in per cent*

Village, District, State, section of the population, year of survey	Share of total principal outstanding borrowed from	
	Formal sector	Informal sector
PANA HAR and MUIDARA, Bankura district, W.B., all households, 1995-96	24	76
GOKILAPURAM, Theni district, T.N., landless worker households, 1999*	22	78
BAGHRA, Giridih district, Jharkhand, all households, 2003-04*	28	72
BIRDHANA, Fatehabad district, Haryana, landless worker households, 2003	8	92
DHAMAR, Rohtak district, Haryana, landless worker households, 2003	12	88
ANANTHAVARAM, Guntur district, A.P., all households, 2006	36	64
BUKKACHERLA, Anantapur district, A.P., all households, 2006	39	61
KOTHAPALLE, Karimnagar district, A.P., all households, 2006	22	78
HAREVLI, Bijnaur district, U.P., all households, 2006	83	17
MAHATWAR, Balia district, U.P., all households, 2006	56	44
WARWAT KHANDERAO, Buldhana district, Maharashtra, all households, 2007**	61	20 (+18)
NIMSHIRGAON, Kolhapur district, Maharashtra, all households, 2007**	22	8 (+70)
25F GULABEWALA, Sriganganagar district, Rajasthan, all households, 2007	73	27
DUNGARIYA, Udaipur district, Rajasthan, all households, 2007	9.7	90.3

*Notes:* \* Share in principal borrowed.

\*\* In Nimshirgaon and Warwat Khanderao, the share of semi-formal sources is shown separately in parentheses.

*Source:* Contributions to Ramachandran, and Swaminathan (2005) and data from the Project on Agrarian Relations in India, Foundation for Agrarian Studies.

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**Table 13** *Incidence of tenancy, PARI villages in per cent*

Village	Land leased in as a proportion of operational holding	Land leased out as a proportion of ownership holding
Ananthavaram, Guntur District, south coastal A.P.	67.4	42.2
Bukkacherla, Anantapur district, Rayalaseema region, south-west A.P.	16.2	26.7
Kothapalle, Karimnagar district, north Telangana region, north A.P.	22.6	16.2
Harevli, Bijaur district, western U.P.	25.9	19.0
Mahatwar, Ballia district, eastern U.P.	16.7	2.7
Warwat Khanderao, Buldhana district, Vidarbha region, Maharashtra	6.5	5.1
Nimshirgaon, Kolhapur district, southern Maharashtra	3.8	7.6
25F Gulabewala, Sriganaganagar district, Rajasthan	18.6	28.7
Dungariya, Udaipur district, Rajasthan	12.6	6.7
Gharsondi, Gwalior district, M.P.	10.3	6.0
All villages	19.5	18.8

Source: PARI Survey data.

**Table 14** *Average agricultural wage rate per day for workers in manual worker households, by sex, selected villages in rupees, in 2009-10 prices*

Village, State	Year of survey	Average wage rate in agriculture	
		Male	Female
Morazha (Kerala)*	2000-01	177/ 266	86/ 106
Dhamar (Har)	Dec 2001-Jan 2002	94	74
Birdhana (Har)	May, 2003	102	58
Ananthavaram (AP)	2006	131	66
Bukkacherla (AP)	2006	109	75
Kothapalle (AP)	2006	125	49
Harevli (UP)	2006	73	45
Mahatwar (UP)	2006	64	57
Nimshirgaon (Mah)	2007	112	59
Warwat Khanderao (Mah)	2007	72	57
25 F Gulabewala (Raj)	2007	76	53
Gharsondi (MP)	2008	81	75

Notes: Wages are deflated using consumer price index for rural labourers.

"Manual worker households" are households that gain 50 per cent or more of total income from agricultural and non-agricultural labouring out.

\*Figures separated by "/" indicate wages in paddy fields and garden lands, respectively

Source: Survey data.

**Table 15** Mean household per capita income per annum, manual worker households, selected villages in rupees, in 2009-10 prices

Village, State	Year of survey	Mean per capita annual income
Ananthavaram (AP: south costal)	2006	7035
Bukkacherla (AP: Rayalaseema)	2006	7722
Kothapalle (AP: north Telangana)	2006	9081
Harevli (UP: western)	2006	6265
Mahatwar (UP: eastern)	2006	3873
Nimshirgaon (Mah: Kolhapur)	2007	9178
Warwat Khanderao (Mah: Vidarbha)	2007	6074
25 F Gulabewala (Raj: Ganganagar)	2007	7310
Gharsondi (MP: Gwalior)	2008	5249

*Notes:* Wages are deflated using consumer price index for rural labourers.

“Manual worker households” are households that gain 50 per cent or more of total income from agricultural and non-agricultural labouring out.

*Source:* PARI Survey data.