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## *Land and Income Inequalities in Rural Andhra Pradesh*

### INTRODUCTION

This article presents the results of village surveys conducted in Andhra Pradesh in 2008-09 and deals with unequal distribution of land among different socio economic groups and among different castes. Further, it deals with the sources of income and inequality in distribution of income among such groups.

The survey was conducted in 88 villages spread over all the 22 rural districts covering 21657 households in the state. In each village a census type survey of households was first conducted and then, the households were divided into different groups like agricultural workers, farmers, households engaged in traditional occupations etc., basing on main source of income.

Then, in order to collect detailed data on employment and incomes a second round sample survey of 10 percent households randomly selected was conducted in all the villages. For example, from an agricultural worker's household, data was collected pertaining to the types of work they were employed in, number of days of work in a year for each type of work, the wage rates for each type of work, number of days of non- agricultural work and it's wage rates, detailed

information regarding income from cultivation on own and rented land and income from leased out land etc. Similar exercise was done for the remaining groups also. In the case of cultivators, data was collected regarding the number of acres sown, crops raised, output obtained and the rates at which the produce was marketed for calculating their income from cultivation (Family labour was not accounted for)

Andhra Pradesh is primarily an agricultural state in which 70 percent of its population is living in rural areas. The state is conventionally divided into five agro-ecological regions namely, North Coastal Andhra (Srikakulam, Vizianagaram and Visakhapatnam districts), South Coastal Andhra (East Godavari, West Godavari, Krishna, Guntur, Prakasam and Nellore districts), Rayalaseema (Chittoor, Cuddapah, Anantapur and Kurnool districts), South Telangana (Mahabubnagar, Nalgonda, Rangareddi and Medak districts) and North Telangana (Nizamabad, Adilabad, Karimnagar, Warangal and Khammam districts).

The Net area sown in the state is 2.7 crore acres (1 hector=2.47 acres) of which 43 percent is irrigated and the rest is rainfed. The areas under surface irrigation and ground water irrigation are almost equal. But Canal irrigation dominates in South Coastal Andhra, where as it is ground water irrigation which is expensive and risky is predominant in Telangana and Rayalaseema. Of the net sown area, 77% in Rayalaseema, 65% in south Telangana and 53% in North Telangana is rainfed. In the irrigated area paddy is the main crop. Besides paddy, cotton, chillies, coconut, maize, Sugarcane, turmeric and some horticultural crops are cultivated. In the rainfed areas, groundnut, Cotton, sunflower, maize, tobacco, millets and pulses like red gram, Black gram, Bengal gram are cultivated.

#### CLASSIFICATION OF HOUSEHOLDS

The farmers are subdivided into five categories basing on the ownership of land. As is already stated there are two types of lands both irrigated and dry in the state. There is lot of difference in productivity between irrigated and rainfed lands. So, in order to use a common unit for the classification of irrigated and dry land cultivators, *one acre of irrigated land is taken as equivalent to 2.5 acres of dry land.* Thus all the land is brought under one category of equivalent dry

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land in acres. This equivalent land is used for the classification of cultivators into different types of farmers. Households owning above 40 acres of equivalent dry land are classified as big farmers. Those who are having above 20 and up to 40 acres are classified as rich farmers. Middle farmers are those who own above 10, and up to 20 acres, small farmers above 5 and up to 10 acres, and marginal farmers are those owning up to 5 acres. Tenant farmers and marginal farmers take up wage work also. Their wage income is around 40% of their total income.

### AGRICULTURAL WORKERS

Biggest group involved in agricultural operations is the class of agricultural workers whose major income comes from working as hired workers on the land of others and at tasks outside crop production. Most of them are landless. There are 56% landless households among agricultural workers in the state. Landless households among agricultural workers are 63% in south coastal Andhra, 55% in Rayalaseema, 53% in north coastal Andhra, 50% in North Telangana and 46% in South Telangana. But, they are more, 71% in Krishna and 69% in west Godavari districts.

They are casual workers working on daily wages or for piece rates. Some of them work as farm servants either on monthly payment basis or on annual payment basis. In some places, old feudal methods of giving food, clothing is still persisting. Even for daily wage workers, food is being served in some areas.

The growing trend among agricultural workers is hiring other's land for cultivation and becoming tenant farmers. Generally agricultural workers work on wide range of tasks. Some of them have though small, other sources of income like cultivation, animal husbandry, Small business, toddy tapping and others.

42.61% households are agricultural workers in the state. The proportion varies from region to region. It is maximum in South Costal Andhra and it is 48.94%. The respective proportions for the other regions are 47.89% for North Coastal Andhra, 40.51% for North Telangana, 39.29% for Rayalaseema, and 36.13% which is the least, for South Telangana.

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### **Number and Percentage of Households – Economic Groups**

Sl.no.	Economic group	No. of households	% of households in the respective group
1	Agricultural Workers	9228	42.61
2	Tenants	1065	4.92
3	Marginal Farmers	2584	11.93
4	Small Farmers	1241	5.73
5	Middle Farmers	493	2.28
6	Rich Farmers	166	0.77
7	Big farmers	54	0.25
8	Traditional Occupations	568	2.62
9	Animal Rearing	410	1.89
10	Employees	1332	6.15
11	Self-Employed	533	2.46
12	Pensioners	100	0.46
13	Businessmen	476	2.20
14	Contractors	28	0.13
15	Commission Agents	43	0.20
16	Non-Ag. Workers	2322	10.72
17	Others	1014	4.68
<b>Total</b>		<b>21657</b>	<b>100.00</b>

### TENANT FARMERS

Tenant farmers mostly come from agricultural workers and marginal farmers. There may be some from small farmers also. They lease in land, generally from big and rich farmers either for fixed rent or share. Share cropping is more prevalent in Rayalaseema and Telangana regions. In south Coastal Andhra tenant farmers constitute majority of the cultivators. As the wage rates are low, most of the agricultures workers are opting for tenancy. So, the rates of rent are sky rocketing. In paddy growing areas, where two crops are raised the annual rent went up to 28 bags of paddy. For two crops together, the yield ranges from 45 to 50 bags. The tenant has to bear the entire expenditure. The investment comes up to Rs.13,000/- excluding rent. So, ultimately, the tenant may be left with fodder only. In addition to tenant farming, they work as hired workers also.

In other regions of the state also, it is a growing phenomenon.

### CULTIVATORS

Cultivators are those whose main source of income is from cultivation. They are marginal farmers, small farmers, middle farmers, rich farmers, big farmers and tenant farmers.

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The proportion of cultivators' households is maximum in Rayalaseema with 33.03% and minimum in North Coastal Andhra with 16.31%. For the remaining regions the proportion is around 25%, 24.84% in South Coastal Andhra, 24.04% in South Telangana and 27.65% in North Telangana. The proportion is 25.88% for the state. (Because the classification is done on the basis of main source of income, there is every possibility of some of the marginal farmers falling in to the category of agricultural workers.)

### NON-AGRICULTURAL WORKERS

Though, the non- agricultural workers also work on others' land as hired workers, they get major share of their income by working on tasks outside agriculture like hamali, road laying, construction etc. They constitute 10.72% of the total households in the state. But the presence of non – agricultural workers' households is highest in North Coastal Andhra with 15.56% and lowest in South Coastal Andhra with only 7.46%. In the remaining regions they are 14.2% in South Telangana, 11.04% in North Telangana, and only 8.92% in Rayalaseema.

### OTHER GROUPS

- a. **Traditional Occupations:** Some of the Rajakas (Washermen), Kshurakas (Barbers) and Vishwabrahmins (carpenters) are still continuing in their respective traditional services and for them, the main source of income is their traditional occupation.
- b. **Animal rearing:** Main source of income is from dairying, rearing of animals like goats and sheep.
- c. **Employees:** Main source is monthly salary from a govt. or a private institution, firm or office. They are from households, having multiple sources of income.
- d. **Self employed:** Main source is earnings from skill based self employment.
- e. **Pensioners:** Main sources is salary pension or govt. pensions like old age, widow etc.
- f. **Business:** Petty village type business.
- g. **Contractor:** Small contractors who take up road laying, building construction etc locally.

h. **Commission:** Middle man or broker involved in purchase and sale of cattle and the agricultural produce.

i. **Others :** Groups other than the above

There is considerable variation in the composition of villages. Households outside agriculture are maximum in South Telangana with 39.83%. Next comes North Coastal Andhra with 35.8%. This may be due to the close proximity of these regions to Hyderabad and Vizag cities and may be due to out migration also. But, agricultural dependant households are maximum in South Coastal Andhra with 73.79%. Next comes Rayalaseema with 72.32%. Lowest number of Households engaged in agriculture are from South Telangana and they are 60.17% only. (It is spread around Hyderabad city)

## I. LAND DISTRIBUTION

### *1. Unequal land distribution among agricultural dependant households*

Land distribution among agricultural dependant households is highly unequal (Only agricultural dependent households and their land is taken into account) Big and rich farmers control most of the land where as the agricultural workers, tenants and marginal farmers who constitute nearly 87% of the agricultural dependant households are either landless or having very little land. When the land per household of agricultural workers and big farmers is compared, land per household of big farmers is 396.12 times more in South Coastal Andhra, 72.93 times in Rayalaseema, 71.55 times in North Telangana 56.9 times in South Telangana, 42.58 times in North Coastal Andhra and 102.19 times in the state as a whole.

So, the inequality is highest in South Coastal Andhra and lowest in South Telangana.

Not only big farmers but also the rich farmers are having many times more land compared to agricultural workers.

The land per household of agricultural workers in the state is 0.63 acres (i.e.) 63 cents only. In the South Coastal Andhra, it is the least (i.e.) 0.17 acres or 17 cents only. It is 1.22 acres (i.e.) the highest in South Telangana, 0.84 acres in Rayalaseema, 0.76 acres in North Telangana and 0.60 acres in North Coastal Andhra. It can be seen that the land per household of agricultural workers is in inverse proportion

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to the degree of development of a region. So, it appears as though, the development is distancing agricultural workers (poor) from their land.

The land distribution is unequal among different social groups also (Total households (i.e.) both agricultural and non-agricultural dependant households and their land is taken into account). Generally OCs control most of the land, where as SCs and STs are either landless or control very little land. Compared to OCs, BCs also own less land. The average land per house hold of BCs is nearly equal to the average land per household in the state. If the land per household of O.C.s is compared with that of S.C.s it is 9.76 times, the highest, in South Coastal Andhra, 7.4 times in North Coastal Andhra, 4.47 times in South Telangana, 4.34 times in North Telangana and 4.1 times, the least in Rayalaseema. Similarly there is lot of difference between O.C.s and B.C.s also so far as land per households is concerned. The land per household of O.C.s is 2.93 times in South Coastal Andhra and around 2 times in other regions compared to that of B.C.s. Of all the regions, the inequality is highest in South Coastal Andhra, for both economic and social groups.

Here also, the same phenomena can be seen. In highly developed South Coastal Andhra, the land per household of SCs (poor) is the least (i.e.) 0.37 acres or 37 cents only. But, in other regions, they are having more land, the highest (i.e.) 1.44 acres in backward Rayalaseema, followed by agriculturally backward South Telangana with 1.22 acres. Again, the same conclusion, that the poor are being deprived of their land because of capitalist development.

### *2. Land Concentration*

Most of the land is concentrated in the hands of top 5% households. It is maximum in South Coastal Andhra where, it is as high as 51.85% of the total land. But, the bottom 60% households own only 0.72% of the total land in that region. The concentration is lowest in North Telangana where it is only 32.21%. That is why the bottom 60% households in North Telangana own relatively more land and it is 10.63%. The top 5% households in the entire state own 37.72% of the total land (more than one third) where as the bottom 60% households own only 6.13%.

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### **Land concentration in the hands of top 5% households – region wise**

Sl. no.	Region	% of land owned by top 5% households	% of land owned by bottom 60% households	Landless households (%)
1	North Coast	37.73	1.70	60.47
2	South Coast	51.85	0.72	70.38
3	Rayalaseema	36.16	8.08	43.15
4	North Telangana	32.21	10.63	39.26
5	South Telangana	33.47	4.96	50.19
<b>Andhra Pradesh</b>		<b>37.72</b>	<b>6.13</b>	<b>53.77</b>

### *3. Landless households*

Where the land concentration is more, the landlessness will also be more. So, the landlessness is highest in South Coastal Andhra. It is 70.33%. Next comes North Coastal Andhra with 60.47% landless households. The lowest (39.26%) is in South Telangana. It is more, 50.19% in North Telangana which is relatively more developed in agriculture compared to south Telangana. The landlessness in the state as a whole is 53.77% (i.e.) more than half the rural households are landless.

### *4. Land concentration in South Coastal Andhra*

If we examine the land concentration in South Coastal Andhra, it will be much more in some of its districts. The concentration is maximum in West Godavari district where the top 5% households own 63.21% of the total land. The same is 61.89% in Krishna district, 59.9% in East Godavari district, 55.24% in Guntur district, 49.74% in Nellore District and 30.91% in Prakasam District. The landless households are also more in this region. They are 81.91% (Highest) in East Godavari, 77.99% in West Godavari, 75.91% in Krishna, 71.10% in Guntur, 61.49% in Nellore and 50% in Prakasam and 70.38% in the entire region.

It appears, the land concentration and the landlessness has become more in areas where the irrigation was available from a long time and where the capitalist relations are well developed (Increasing tenancy is a recent phenomenon). As wealth accumulates at one pole, poverty accumulates at the other. This is natural in capitalist development.

The process of more and more households becoming landless can be seen from the following example.



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In Anantavaram, a village irrigated long back in Guntur district, there were 50% landless households in 1974 (Survey conducted under the guidance of Com. P.Sundarayya), 65% in the same village in 2006 (survey conducted by V.K. Ramachandran, Vikas Rawal and Madhura Swaminathan) and during 2008-09 it was found to be 74% from our survey data of a nearby village Chinagadelavarru belonging to the same district, Guntur.

This shows that landlessness is increasing rapidly with time in irrigated areas where, the capitalist relations are well developed. Further, it appears that the process of pauperisation got accelerated from, around 2006.

### *5. Caste-wise distribution of land*

The way in which the land is distributed among different castes is also quite interesting. In the entire state, only two castes namely, Reddys and Kammas are controlling major share of the total land. The two castes together constitute only 10.47% of the total households in the state, (Basing on data collected from 88 villages) but they own 31.01% of the total land in the state, disproportionately large compared to the percentage of their households. That means, just 10% of the households are controlling nearly one third of the total land in the state.

On the other side of the spectrum, we find dalits (Mala and Madiga castes) who constitute more than one fourth of the total households (i.e.) 25.17%, but the land they own is a mere 9.77%, disproportionately small compared to the percentage of their households.

The average land per household of Reddys and Kammas is 7.04 acres and 6.09 acres respectively, where as the land per household of Mala and Madiga castes is 0.97 acres and 0.77 acres only. So, the average land per household of Reddys and Kammas is 7 to 9 times more compared to that of Mala and Madiga caste households.

More than half the households are landless among Balija, Kapu, Telaga, Gouda, Besta, Rajaka, Mala, Madiga castes and among Muslims and tribal households. Among these castes, landlessness ranges from 50% to 68%. The state average of landless households is 53.77%.

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**Caste-wise distribution of land**

Sl. no.	Caste	% of households surveyed	% of land owned	Land per household	% landless households
1	Reddy	6.00	18.85	7.04	27.17
2	Kamma	4.47	12.16	6.09	24.25
3	Patel/ Are Patel	0.28	0.60	4.85	30.00
4	Kalinga	0.30	0.62	4.54	30.30
5	Kuruma	1.63	2.52	3.45	36.72
6	Vysya/ Komati / Setti				
		1.18	1.57	2.98	66.27
7	Mudiraj	6.05	7.29	2.70	39.97
8	Boya / Valmiki	3.29	3.96	2.70	40.59
9	Munnurukapu / Thurpukapu				
		3.90	4.67	2.68	39.45
10	Yadava/ Golla / Are Golla				
		9.17	10.33	2.52	45.65
11	Velama	1.39	1.51	2.43	47.51
12	Baliya/ Kapu/ Naidu/ Telaga				
		6.01	5.31	1.98	56.07
13	Tribes	5.10	4.48	1.97	50.23
14	Gouda	1.99	1.76	1.98	56.71
15	Besta, etc.,	1.95	1.17	1.35	61.94
16	Rajaka, etc.,	2.79	1.30	1.04	65.40
17	Muslim	3.62	1.98	1.23	67.82
18	Mala	12.50	5.40	0.97	67.76
19	Madiga	12.67	4.37	0.77	67.09
20	Other Castes (120)	15.69	10.16	1.45	62.55
<b>Total</b>		<b>100.00</b>	<b>100.00</b>	<b>2.24</b>	<b>53.77</b>

*6. Highly iniquitous distribution in South Coastal Andhra*

The disparity becomes more pronounced when we go to fertile and well developed South Coastal Andhra. Here the Reddys and Kammas constitute only 13.72% of the total households, (Basing on data collected from 24 villages) but the land they own is as much as 46.36% of the total land (i.e.) a mere 13.72% Reddy and Kamma households are owning nearly half of the total land of this fertile region. On the other side we find 32.92% (i.e.) nearly one third of the total households belonging to Mala and Madiga castes who own a mere 8.08% of the total land.

For Reddys and Kammas the land per household is 5.65 acres and 5 acres respectively, whereas it is a mere 0.47 acres (47 cents) and 0.25 acres (25 cents) for Mala and Madiga castes. So, compared to dalits the Reddy and Kamma castes own many times more land (12 to 22 times).

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Landlessness is also highest in this region. 87.20% Mala households and 88.67% Madiga households are landless. For all the B.C. castes and for a few O.C. castes also, the landlessness ranges from 60% to 75%. The landlessness in the entire region is as high as 70.38%. This is the reason why there is heavy competition for rented land and for wage work in this region. Consequently, the land rents are skyrocketing and the wages are sinking.

Land concentration is very high in Pesarlanka, a village in Guntur district where Kamma households constitute only 17.74%, but they own 83.19% of the total land in the village. That means, the remaining 82.26% households belonging to other castes are to be content with a mere 16.81% of the total land. Similar situation exists in Chinagadelavarru, another village in the same district. There, the Kamma households constitute only 20.35%, but they own 73.37% (i.e) almost three fourths of the village land.

Tallapudi, a fertile Penna delta village in Nellore district is another example. In this village, there are only 12.03% reddy households, but they are owning 76.24% (i.e.) more than three fourths land in that village.

There is such caste wise concentration of land in Maremanda, a village in Krishna district where 9.41% Kamma households are owning nearly half (i.e.) 47.57% of the village land. Unlike in Guntur district where a single caste is controlling most of the land, in East and West Godavari districts a small proportion of two or three castes like Kamma, Kapu, Kshatriya (OC), Settibaliya and Koppula Velama (BC) are controlling lion share of the village land.

In other regions also we find land concentration in villages like Muddanagere in Kurnool district, Nakkapalli in Chittoor district, Vengannapeta in Khammam district and Potharam in Karimnagar district. In Muddanagere 8.55% Reddy households are controlling nearly half (i.e) 46.34% of the village land, in Nakkapalli, 32.16% Reddy households are controlling 79.80% of village land, in Vengannapeta 36.68% Kamma households are controlling 80.37% of the village land, and in Potharam 15.63% Reddy households are controlling 50.89% of the village land.

Once again the same conclusion. Accumulation of wealth at one end and poverty at the other end or the development of capitalism displaces the poor from their land leading to their pauperisation.

### *7. Amenities accessible*

Data was also collected regarding amenities available like toilet, gas stove, television, telephone and motor cycle. Similarly the data about the literates among adults and people who studied inter and above was also collected. It is observed that there is clear cut co-relation between land owned and the amenities accessible including education. The amenities accessible went up with increasing land ownership. Therefore, in rural areas, the development of socio-economic groups mainly depends on the land they own. Not only in amenities, but also in employment and self employment the landed groups are found to be ahead of other groups.

### *8. Economic and Social backwardness*

Socially backward SC, ST and BCs are found to be backward economically also. We know, agricultural workers as a group is the most backward among economic groups. When agricultural workers group is analysed, it is found that there are 36.4% SC households, 8.65% S.T. households and 44.74% B.C. households, the three groups together constituting 89.79% of the total agricultural workers' households. So, 90% of the most economically backward agricultural workers group is coming from socially backward groups (i.e.) S.C., S.T. and B.C. which means Economic backwardness and social backwardness are synonymous. But, social oppression is additional burden for socially backward groups.

## II. INCOME

### *1. Sources of Income*

Though the households are divided into different groups basing on their main source of income, in addition to the main source, they may have other sources of income also.

Take for example, agricultural workers. They get 87.10% of their income from their main source (i.e.) wages; of the remaining income, they get 4.47% from cultivation, 4.03% from dairying, 2.07% from

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Major sources of Income for agricultural dependant households (%)

Sl. no.	Economic group	Cultivation	Wage	Animal rearing	Employment+ self-employment	Business	Others	Total
1	2	3	4	5	6	7	8	9
1	Agr.worker	4.47	87.10	4.03	2.07	0.32	2.01	100
2	Tenant	41.55	40.57	11.71	4.79	0.42	0.96	100
3	Marginal	40.65	42.95	8.57	3.79	1.28	2.76	100
4	Small	55.57	22.87	8.41	7.71	1.21	4.23	100
5	Middle	71.84	6.36	5.68	13.68	1.05	1.40	100
6	Rich	72.49	1.69	3.57	20.30	1.15	0.80	100
7	Big farmer	97.09	0.00	2.51	0.40	0.00	0.00	100

employment and self-employment, 0.32% from business and 2.01% from other sources.

But, the tenant farmers get only 41.55% from their main source (i.e.) cultivation and almost an equal share 40.57% from wages, 11.71% from dairying, 4.79% from employment and self-employment and the remaining income from the rest of the sources. Similarly, the marginal farmer gets only 40.65% from his main source and more than that, 42.95% from wages, 8.57% from dairying, 3.79% from employment and self employment and the rest from the remaining sources. Small farmers on the other hand get 55.57% from their main source (i.e.) cultivation, a significant share 22.87% from wages, 8.41% from dairying, 7.71% from employment and self-employment and the rest from other sources.

For middle and rich farmers more than 70% of their income comes from their main source (i.e.) cultivation. Unlike other groups their share from employment and self-employment is considerable (i.e.) 13.68% and 20.30% respectively. For big farmers the data shows that 97% of their income is from their main source (i.e) cultivation and almost nill from other sources, which may not be true.

### 2. *Wage labour is the unifying force*

From this it is clear that the wage income of tenant farmers (40.57%) and marginal farmers (42.95%) is almost equal to or more than what they are getting (41.55% and 40.65% respectively) from their main source (i.e.) cultivation. Even the small farmers are also getting a significant share (22.87%) from wages. So, the rise in wage rates will benefit not only agricultural workers but also the tenant, marginal

and small farmers. All the four groups (including agricultural workers) who constitute 65.19% of the rural households can be mobilized for wage struggles. Apart from these four groups there are other groups like non-agricultural workers, people engaged in traditional occupations and animal rearing, constituting 15.23% of the rural households, who are also engaged in wage work apart from their main occupation. So, whether it is as main source or as additional source, households engaged in wage work constitute more than 80% of the rural households and they will all be interested in wage rise. Hence, they can be easily united.

Regarding employment and self employment, because it needs some education, it became almost, the exclusive preserve of the groups that are above the middle farmers.

### *3. Wage component – Agricultural workers and poor peasants (Region wise)*

In all the regions, the share of agricultural workers income from wages is almost the same. It is 89.19% in coastal Andhra, 86.92% in Rayalaseema and 84.91% in Telangana.

But, the wage component of tenant farmers, marginal farmers and small farmers varies from region to region. In Rayalaseema, for tenant and marginal farmers, wage component is nearly two thirds, where as the income from cultivation is only one third of their total income. The wage component for tenant farmer is 62.11% and for marginal farmer it is as high as 65.25%. Even for small farmers, it is 33.40%. So, the scope for wage struggles is more in Rayalaseema where apart from agricultural workers, tenant, marginal and small farmers can also be mobilized in a big way. In Telangana also, the dependence of tenant and marginal farmers on wage income is more. 48.80% of tenant farmers' income and 40.99% of marginal farmers' income comes from wage work. Even for small farmers it is 25.43% which is not a small share in their total income. So, the scope for wage struggles in Telangana is also not less.

In Coastal Andhra the respective proportions of wage component for tenant farmers and marginal farmers are relatively small, 32.21% and 35.66% respectively. But, the proportion of agricultural workers is more here. Added to that all other poorer sections are also having

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significant share of their income from wage work. So, in all regions, nearly 80% of rural households will be interested in getting wage enhancement.

### *4. Wage Component – Social Group Wise*

For SCs and STs major income comes from wages. It is 61% for SCs and 61.29% for STs in the state. For BCs also, wage component of income (40.61%) is much more than that from cultivation (25.02%). For OCs it is only 14.30%. From Cultivation OCs get 52.40%, BCs get 25.02%, STS get 22.18% and SCs get only 10.06% of their total income in the state.

In Telangana wage share of SCs and STs is small (54.02%, 52.32%) compared to the other two regions (i.e.) Rayalaseema (67.22%, 68.20%) and Coastal Andhra (67.85%, 73.66%). This is because in Telangana SCs and STs own relatively more land and get a bigger share from cultivation compared to other regions. SCs share from cultivation is 14.53% in Telangana, where as it is only 2.59% in Rayalaseema and 6.93% in Coastal Andhra. For STs it is still more in Telangana. It is as high as 29.48% in Telangana, where as it is only 0.71% in Rayalaseema and 14.82% in Coastal Andhra.

Finally, the proportion of agricultural workers among SCs is 66%, among STs 54%, among BCs 40% and among OCs only 22% in the state. The corresponding proportions for South Coastal Andhra are 78%, 68%, 48% and 21%. So, the proportion of agricultural workers among all the socially backward SCs, STs and BCs in South Coastal Andhra is more than that in the State.

Moreover, agricultural workers are there in all social groups including OCs. Therefore, wage struggles will unite all the poorer sections irrespective of their caste and creed. This is the best way of fighting against caste discrimination and untouchability.

### *5. Institutional lending*

Institutional lending is much below the requirement. Though, agriculture is one of the priority sectors, it is getting only 40.46% of its loan requirement from banks. Remaining part of the loan is met from private lending agencies which are charging exorbitant rates of interest ranging from 30% to 60% and even more in some places.

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**Per capita daily income – economic groups (state level)**

Sl. no. group	Sl. Economic	No. of persons in total households	Total income	Per capita daily income
1	Contractors	14	1290136	252.47
2	Large Farmers	74	5058079	187.27
3	Rich Farmers	252	6642467	72.22
4	Employees	445	6940210	42.73
5	Pensioners	3	42000	38.36
6	Middle Farmers	419	5450326	35.64
7	Businessmen	112	1407897	34.44
8	Self-Employed	292	3427413	32.16
9	Non-Ag. Workers	1091	11260672	28.28
10	Traditional Occupations	249	2496761	27.47
11	Small Farmers	631	6208687	26.96
12	Animal Rearing	168	1574424	25.68
13	Others	169	1445807	23.44
14	Marginal Farmers	745	5136488	18.89
15	Agricultural Workers	2032	13561554	18.28
16	Tenants	462	2846327	16.88
17	Commission Agents	14	80748	15.80
<b>Total</b>		<b>7172</b>	<b>74869996</b>	<b>28.60</b>

Much of this 40.46% institutional credit is garnered by the rural rich. Rich farmers are getting 75.71% of their loan requirement from banks. Even middle farmers are also getting 63.01%. But, what the agricultural worker gets is only 22.15% of his loan requirement. Even marginal farmer gets only 26.60%.

Similarly, the OCs are getting 59.07% of their loan requirement from banks, where as the SCs are getting a mere 23.94% and for the remaining, they depend on private lenders. Even BCs share is not much. It is only 30.75%. For STs, it is lower than (18.43%) that of SCs.

There is also regional variation in bank lending. Coastal Andhra and Rayalaseema are getting more than half (51.37% and 52.79%) of their loan requirements from banks, where as Telangana gets not even one third of it's requirement from them.

### *6. Per Capita Daily income*

The economic groups, whose per capita daily income is less than Rs 20 (poverty line) are tenants (Rs16.88), agricultural workers (Rs18.28) and marginal farmers (Rs18.89). (Though, the commission agents also come under this category, they are not taken in to account as they constitute only 0.17% of the total households surveyed.)



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In all the three regions of the state, namely coastal Andhra, Rayalaseema and Telangana agricultural workers, tenants and marginal farmers are found to be below poverty line; excepting Tenants in Coastal Andhra and marginal farmers in Telangana. In all the three regions, agricultural workers are below poverty line and their respective per capita daily incomes in the regions are Rs 17.55, Rs 17.95 and Rs.19.30. They are Rs 21.12, Rs 12.10 and Rs.13.61 for tenant farmers and Rs.17.72, Rs 14.26 and Rs 21.53 for marginal farmers.

On the other side of the spectrum, we find contractors and big farmers whose per capita daily income is Rs 252.47 and Rs 187.27 respectively and they are many times more compared to that of agricultural workers, tenant and marginal farmers.

These are the people (including rich farmers) who have left and are still moving out of the villages in search of better opportunities, leasing out their lands. Most of the industrialists, businessmen, NRIs etc come from this rural strata, mostly from South Coastal Andhra.

But if we take households whose per capita daily income is less than \$1, except contractors, big farmers and rich farmers, the remaining 14 out of 17 groups are below that income and they constitute 98.85% of the rural households.

Even if we take households whose per capita is less than Rs 20/-, their proportion is also not small. They constitute 59.66% (i.e.) nearly 60% of rural households.

Coming to social groups, the per capita daily income of SCs is Rs. 22.99 where as it is Rs40.69 for OCs. STs are also close to SCs with per capita daily income of Rs. 23.46. Even BCs are not better off. They are also not far of from SCs and STs in respect of per capita daily income which is only Rs. 27.22.

### III. CAUSES OF RURAL POVERTY

If the poverty line is taken as Rs 20/-, the groups which fall below this line are tenant farmers, agricultural workers and marginal farmers with per capita daily incomes Rs 16.88, Rs 18.28 and Rs 18.89 respectively.

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**No. of Working Days and Wage Rates (region wise)**

Sl.No.	Region	Male		Female		Total household	
		No. of working days	Wage rates	No. of working days	Wage rates	No. of working days	Wage rates
1	North coastal Andhra	113	87.46	105	56.17	109	71.14
2	South coastal Andhra	144	97.68	128	69.56	136	84.95
3	Rayalaseema	146	84.78	133	65.19	139	74.74
4	South Telangana	144	97.67	137	64.44	140	80.11
5	North Telangana	141	91.78	156	63.15	150	73.70
<b>A.P</b>		<b>140</b>	<b>93.35</b>	<b>134</b>	<b>64.92</b>	<b>137</b>	<b>78.46</b>

*i. Agricultural workers*

Agricultural workers form a major part of rural households. 62.22% of the agricultural dependent rural households are agricultural workers. Of the total rural households, they form 42.61%. Their per capita daily income is only Rs18.28, which is below poverty line. The only other group in the rural life whose per capita daily income is less than Rs 18.28 is tenant farmers.

The study reveals that the reasons for this low income for agricultural workers are a) Less number of available working days b) Low wage rates or high rates of exploitation and c) Gender discrimination with regard to wage rates.

*a. Working days*

The working days available per worker in a year is only 137 (i.e.) nearly four and half months in a year in the state. Rest of the year, they do not have any work and have to depend on the earnings of these four and half months for their sustenance.

Even this much of work (137 days) has become possible because of the implementation of National rural employment guarantee scheme, which is providing around 25 days of employment and the boom in the economy during the survey period 2008. Construction industry was at its peak and was attracting workers from rural areas, both skilled and unskilled. Otherwise, the working days could have been much less.

In 1974, Com. P.Sundarayya presented a similar situation where the agricultural workers were getting only 247 days of work per household. (i.e.) 123.5 days per worker in Ananthavaram (if two are

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supposed to work in a family) which is almost the same now, in spite of rural employment guarantee scheme and construction boom. V.K.Ramachandran reports from his survey data conducted during 2005-06, that the number of working days available per worker is 90 days in Ananthavaram and Kothapalli and 104 days in Bukkacharla. The working days are somewhat less, because there was no employment guarantee scheme during 2005-06.

There is slight regional variation in the availability of working days. They are maximum (150 days) in North Telangana and minimum (109 days) in North Coastal Andhra; For the remaining regions the available working days per year are 140 in south Telangana, 139 in Rayalaseema and 136 in South coastal Andhra. Even in south coastal Andhra where two crops are raised in considerable part of the region, the available working days are not high because of high concentration of land less and wage dependent households (70.38%). Further, the available working days in North Coastal Andhra are least and the reasons for that are 1) The number of landless households are relatively more (60.47%) 2) Land per household is the least (i.e.) 1.35 acres only 3) Double cropped area is also less compared to south coastal Andhra and 4) Drought also may be one of the reasons. Because of these reasons, the working days are only 109, in spite of large out migration from this region.

### *b. Wage rates*

The average wage in a year in the state is only Rs.78.46. Though, it is low in all the regions, there is small regional variation in it. It is maximum (Rs84.95) in south coastal Andhra and minimum (Rs71.14) in North Coastal Andhra. After south coastal Andhra the wage rates are relatively high (Rs.80.11) in South Telangana, may be, due to, it's close proximity to Hyderabad city. The wage rates in the other two regions are Rs 73.70 in North Telangana and Rs.74.74 in Rayalaseema.

### *Exploitation*

The wage rates are so low because, the rates of exploitation are very high in all the regions. The rates of exploitation were calculated both crop wise and region wise. The average rate of exploitation in the state is 150.33%. (basing on data collected from 88 villages). The region

wise rates are 189.28%, the highest in south coastal Andhra, 168.57% in North Telangana, 166.08% in South Telangana, 123.61% in Rayalaseema and 76.73%, the lowest in North Coastal Andhra. The more, the rates of exploitation, the lesser are the wage rates.

There is a lot of difference in net income between irrigated and dry lands. Net income in irrigated lands is found to be 4.5 times more than that in dry lands. Canal irrigation is provided by the govt., almost free but the benefit of which is going entirely to the farmers. The agricultural workers are also a part of the cultivating community. As such, they should also get a reasonable share of this benefit. But from the data, it becomes clear that they are benefitted very little as the wage rates in irrigated areas are not three or four times more, compared to the rates in rain fed areas.

As an example, we can compare wage rates in south Coastal Andhra which is highly irrigated, with that in Rayalaseema which is least irrigated. The average wage rate in south Coastal Andhra is Rs 84.95 where as it is Rs 74.74 in Rayalaseema; a mere Rs 10.21 difference which is not commensurate with the benefit, irrigation is giving to the farmers. Thus, the agricultural workers are denied of their rightful share in irrigated areas.

#### *Gender discrimination in wage rates*

On an average, the wage rate for male workers is Rs 93.35 and that for female workers Rs. 64.92, which is far less compared to male wage. That means, the proportion of female wage in male wage is only 69.5%.

But the proportion of female wage varies from region to region. It is surprisingly highest (76.9%) in Rayalaseema, a backward region where the feudal relations still persist. That means the female workers are relatively better paid compared to other regions. The next better paid region for female workers is South Coastal Andhra where the proportion is 71.2%. The lowest is in north coastal Andhra where the proportion is only 64.2%. For the remaining two regions it is 66.0% for south Telangana and 68.8% for north Telangana. On an average female workers are paid only 70% of what the male workers are being paid.

So, the reasons for low per capita daily income for agricultural workers are 1) Annual working days are small 2) Low wage rates or

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heavy exploitation and 3) the wages for female workers are less than that of the male workers.

So, in order to increase their per capita daily income 1) No of working days are to be increased 2) Wage rates are to be raised and 3) The principle of equal pay for equal work must be enforced.

### *Working days can be increased*

Number of working days can be raised by bringing cultivable waste and fallow lands under the plough and by providing irrigation to rainfed lands.

There is 16,27,730<sup>1</sup> acres of cultivable waste in the state. Similarly, the current and other fallow lands in the state are 1,04,20,930<sup>2</sup> acres. So, the total land, that can be brought under cultivation is 1,20,48,660 acres which, if cultivated can provide nearly 62 days of extra work for each agricultural workers' household.

Only 43% of the net sown area (26782210 acres)<sup>3</sup> is provided with irrigation in the state. Rest of the land is rainfed which is 15265859 acres. If this is also provided with irrigation (There is plenty of water in the state and according to one estimate, 2000 TMC of water is going in to the sea which if utilized can irrigate 2 crore acres of dry land) both the farmers and the agricultural workers will get benefitted. For the farmers, there will be four-fold increase in their net returns, while the workers get benefitted by getting additional work. So, if the rainfed land (15265859 acres) is irrigated, each agricultural workers' household will get 79 days of extra work. Thus by bringing cultivable waste and fallow lands under cultivation and by providing irrigation to the existing rain fed lands, each agricultural workers' house hold can be provided with 141 days of extra work which will go a long way in improving their standard of living.

### *Wage rates can be enhanced*

When there is such a rise in no of working days, the demand for agricultural workers goes up resulting in increased wage rates.

The other way of increasing wage rates is collective bargaining. As we have already seen, 70% to 80% of the rural households are dependent on wage income and are interested in wage hike. Therefore,

they can be united in the wage struggles. The same struggles can be utilized for getting the slogan “equal pay for equal work” implemented.

### *Land distribution*

The above mentioned lands (1,20,48,660 acres), namely the cultivable waste and current and other fallow lands can, not only be used for enhancing the available working days, but also be used for giving land to the landless households. Further, the land leased out by big farmers, which is estimated to be 49,03,600 acres can be taken over by the govt. for distribution, by paying compensation (as they are not interested in cultivation). So, the total land available for distribution becomes 1,69,52,260 acres which if distributed among land less rural households, each household *will get 2.5 acres* of land. If they are provided with bank credit for land development, irrigation, input subsidies and support price for their produce, then, they will be able to lead a better life.

Com P. Sundarayya in his book *The Land Question* stressed the need for demanding better wages, 300 days of work and land distribution.

Hence, in addition to the demand for higher wages, we should demand work on 300 days in a year or payment of unemployment relief by the land lords at the rate of 1kg rice or hard cereals per day for every unemployed agricultural labour family. The govt. should compulsorily impose grain levy on the land lords at a rate sufficient to raise the amount of grain required to meet this unemployment relief demanded above.

To liquidate rural unemployment, land must be distributed. Land is the source of living for the rural people. This land is concentrated in the hands of a few. In Ananthavaram, land lord families, who form 10 percent of the total families, hold 70 percent of the total land. In Kaza, they form 3 percent and hold 24 percent of the land. In the entire Andhra Pradesh, they form 5 percent and hold 45 percent of the land. Only when all this land is distributed to the agricultural labourers and poor peasants can their problem of unemployment and living standards be solved.

The condition of agricultural workers has further deteriorated. But for the employment guarantee scheme and the construction

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boom, the working days would have been less than 100, and wage rates much more distressing. Added to this, as is already shown, the land concentration has increased, specially in fertile and irrigated areas. In some districts top 5% big farmers are controlling more than 60% of the total land. As a result, the landlessness went up to 80% in those districts.

So, the analysis of Com. P. Sundarayya becomes more relevant today.

### *ii. Tenant farmers*

The group for which the per capita daily income is the lowest (Rs 16.88) is the tenant farmers group. The reasons for their lowest per capita income are

- 1) As they are getting a major portion, 40.5% of their income from wages, low wage rates are depressing their incomes.
- 2) Though, they are farmers, their share from cultivation is only 22.09%, which means the tenant cultivation is unsustainable. There are number of reasons for this to become unsustainable.
  - a) Because the wage rates are low, there is heavy competition for rented land among wage workers. The competition has become so intense that the average rate of rent went up (Rs 9411) till it almost became equal or more than the average net income (Rs.9145), one can get from self cultivation. Because the rent and net income are almost equal, the chances are even for the tenant farmer to gain or loose. Even if it is a gain, it is found that it is nothing compared to investment.
  - b) As the landlessness ranges from 40% to 70% of the households depending on the region, naturally, there will be heavy competition among landless households (besides wage workers) for rented land and wage work, thereby raising the rates of rent and depressing the wage rates.
  - c) As the rent, the landowners are getting is almost equal to what they get in self cultivation, there is a growing tendency among land owners to lease out their land. By this, not only they are getting, in the form of rent what income they get in self cultivation, but also, they are transferring the risk involved in cultivation to the tenant farmer.
  - d) The investment of a tenant farmer far exceeds the net income. The average investment per acre is found to be Rs23,798/- where as the net income has turned out to be only Rs1138/- which may not be sufficient to

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pay even the interest on investment. (The average rent, average investment and net income per acre in an irrigated land of a tenant farmer are worked out using data collected for the crops raised in 375.5 acres of land spread over several districts in the state. Similarly, the investment and net income in the irrigated land in the case of owner cultivation are worked out using data collected for the crops raised in 1788.33 acres of land spread over all the rural districts in the state.)

e) Because it is oral tenancy, they do not get bank loans. So, they have to depend on private money lenders who charge exorbitant rates of interest ranging from 30% to 60%.

f) Because they borrow from money lenders, they will be forced to purchase the inputs and sell the produce to them only, thereby losing both ways (i.e.) while buying and selling.

g) As in the past, there is no govt., extension department to guide them. So, they are forced to depend on selfish input dealers for guidance and are being cheated

h) They are heavily losing on account of market fluctuations and natural calamities.

*In spite of all these problems, they lease in land because*

a) They can use the family labour for raising the crops in the leased in land and can avoid working as hired labour on the land of others.

b) They will get fodder for the milch animals which is also an income.

c) Compared to agricultural workers, they enjoy better social status in the society.

d) They are optimistic and hope to get good harvest and high rate for their produce.

*In order to improve their living conditions:*

(1) Land is to be distributed and irrigation is to be provided

(2) Wages are to be enhanced

(3) Tenancy is to be recorded

(4) Govt. support in all respects must be restored (input subsidies, MSP, extension etc).

In 1976, Com P. Sundarayya wrote:

There is great competition for leasing land and hence rents are exorbitant. . . .

*So long as 40 to 50 percent of the rural families remain completely landless or own nominal small plots of land, they have to run to the landlords*



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*for leasing land or to get work, paying exorbitant rents and surrendering to low wages. This situation cannot be changed unless and until land is distributed to them or their unemployment problem is solved by providing them with work in other occupations.*

This analysis is more relevant today as there is more landlessness which is 40 to 70 percent and it is around 80% in some districts in South Coastal Andhra (As we have already seen)

### *iii. Marginal farmers*

Even for marginal farmers, the per capita daily income is less than Rs 20/- (ie) Rs 18.89 only. The reasons for their low income are

- a) The wage component of marginal farmers' income is as high as 42.95%, which is more than what they get from cultivation. So, the low wage rates are depressing their income.
- b) The land they own is very little. The average land (equivalent rainfed land) of a marginal farmer in the state is only 3.48 acres. So, with that little land, without irrigation, cultivation becomes unviable.
- c) They are heavily dependent on private money lenders. So, they face all the problems, what the tenant farmers are facing with the private money lenders.
- d) As in the past, there is no govt., extension department to guide them. So, the farmers are forced to depend on selfish input dealers for guidance and are being cheated.
- e) They are heavily losing on account of market fluctuations and natural calamities.

To improve their living standards:

- (1) Wage rates are to be enhanced
- (2) Irrigation is to be provided
- (3) Govt. support must be restored in all respects (input subsidies, MSP, extension etc.)

## NOTES

<sup>1</sup> Statistical Abstract, Andhra Pradesh -2008, Page 117.

<sup>2</sup> Statistical Abstract, Andhra Pradesh -2008, Page 117.

<sup>3</sup> Statistical Abstract, Andhra Pradesh -2008, Page 117.