# Agrarian Change in North India: Evidence from Haryana and Uttar Pradesh

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Earlier on Sanhati (<u>paper here</u>), we have published a study that attempts to understand the evolution of relations of production under which the majority of the working people in India labour. Using aggregate level data for agriculture and <u>informal industry</u>, and drawing on several case studies of the unorganized sector, we have highlighted key aspects of Indian capitalism. One of the major lacuna of that study was the absence of reference to micro/village level studies of agrarian change. This article is part of series of short pieces (<u>the first one was on Bihar</u>) that summarize crucial aspects of the dynamics of agrarian change observed at the village level. Here we take a brief look at Haryana and Uttar Pradesh. Subsequent essays in the series will examine state and village-level evidence from Western and Southern India.

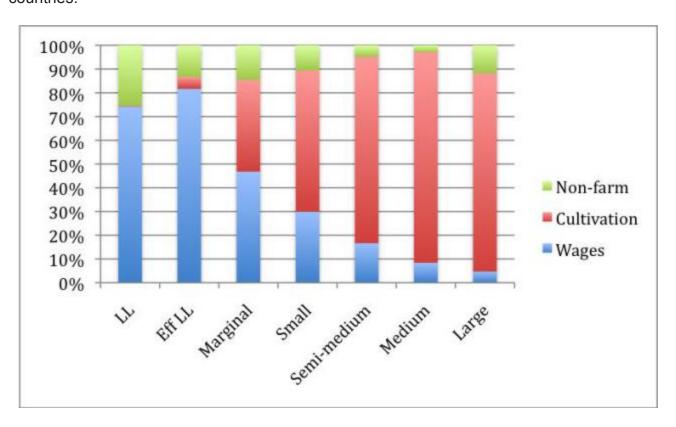
# Haryana

Haryana, together with Punjab and western parts of Uttar Pradesh, constitutes the epicenter of the Green Revolution. Over the past four decades some aspects of rural Haryana have evolved in tandem with the all-India scenario. Households holding greater than 5 acres of land have declined as a share of the rural population in Haryana since the 1960s, as has the share of land held by these households. Marginal peasants (owning less than 2.5 acres) account for 77% of the rural households. However Haryana still remains a "large land holding state" as seen by the fact that household with more than 10 acres of land holdings account for 46% of land, as opposed to a mere 14% held by the same category households in Bihar or 17% held by them in UP. Correspondingly we see that 43% of income for all the rural classes combined comes from wages (as opposed to from cultivation or non-farm businesses), contrasting once again with Bihar where only 27% of income comes from wages.

Thus we infer that a large proportion of marginal peasants also work as wage-laborers on medium and large farms. This conjecture is supported by a look at data on sources of income of rural households. Rural household holding less than one acre of land (which we call "effectively landless") derive over 90% of their income from wages and non-farm business (household industry or small shops). It is worth pointing out that "wages" include income from farm and non-farm employment.

Commensurate with the National Sample Survey data on sources of income, Bhalla notes "an astonishing increase in the proportion of agricultural labor households recorded as possessing land (from 7-8% to 67%)" between the late 1970s and late 1980s. Clearly, as cultivation income declines and small plots can no longer support a family, many small and marginal peasants are taking to agricultural wage employment. This, she notes has reduced work available to the "truly landless" workers and also put downward pressure on wages.

One phenomenon that has attracted the attention of many village-level studies is the emergence of new forms of attached labor. Bhalla (1999) sees such "permanent labor contracts" as solutions to two problems. First is the lack of adequate labor during peak season. Laborers attached to an employer via either credit or advance wages ensure labor supply when it is really required, at wage rates lower than the then going market rate. Second, such contracts weaken the bargaining position of casual workers by reducing work available to them. It also creates a divide in the laborforce between the attached and casual workers. The debate over "unfree labor" in Haryana has generated a lot of interest particularly over the issue of whether it is a declining "pre-capitalist" type of labor relation or a capitalist response to specific market conditions (see Brass 1990, 1994, Jodhka 1994). The phenomenon of debt bondage is not itself in doubt since it has been observed in several other states as also in other sector (such as handlooms). However commentators disagree on whether it is on the rise or on the wane and also as to the exact amount of unfreedom such contracts imply in comparison to contracts in formal sector job or in advanced capitalist countries.



# Figure 1: Average monthly income from different sources (%) per farmer household during the agricultural year (July'02-June'03) for Haryana (Source: Government of India 2006c)

Area and village studies conducted in most parts of India during the past two decades have also strongly underlined the rising importance of non-farm employment in the rural and semi-urban sector. Thus Bhalla (1999) notes in her study of Haryana that

In India in recent decades, the factor which has mattered most in the determination of farm wages is the availability of alternative, non-farm jobs as reflected in shifts in the structure of a growing workforce in favor of industrial, trade, transport, communications and service sector employment. (p. 26)

Already in the 1990s Haryana was one of 4 states where non-farm employment accounts for more than half of all (principal status) jobs when rural and urban areas are taken together. In the next section we will see more evidence of this from UP.

#### Uttar Pradesh

Although western Uttar Pradesh (districts of Muzzafarnagar, Meerut etc) are very similar to Haryana both in terms of agricultural conditions and social relations (the so-called Jat belt), taken as a whole UP is distinctly different from Haryana, in part due to the vast central and eastern stretches of the state. In UP as in Haryana and most parts of India, households holding more than 5 acres of land have lost their share of land to small and marginal peasant households. However unlike Haryana, UP is a "small land-holding state" because households having more than 10 acres of land account of only 16% of land in UP. Commensurate with the importance of marginal and small farmers in share of land owned, income from cultivation plays a much more important role in Uttar Pradesh, as compared to Haryana (compare red areas in Figures 1 and 2).

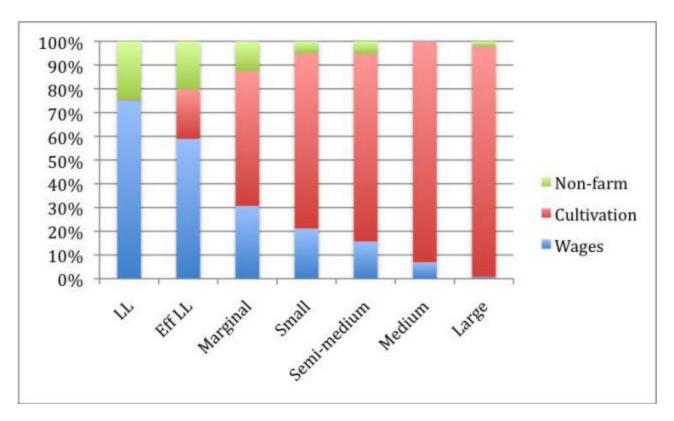


Figure 2: Average monthly income from different sources (%) per farmer household during the agricultural year (July'02-June'03) for Uttar Pradesh (Source: Government of India, 2006c)

While it is clear from national and state-level evidence that tenancy (share-cropping etc) is on the decline in rural India (Basole and Basu 2009), more micro-studies reveal complexities not necessarily thrown up by state-level analysis. Lerche (1999) in his study of villages in Jaunpur district of eastern UP, offers an interesting example of a type of production relation that is neither strictly sharecropping, nor strictly wage labor. Rather it appears to be a type of piece-rate system for agriculture couched in sharecropping terminology. The balance of investment, risk and control over labour process between the landowner and the tenant is substantially changed. Earlier, in these parts, a pair of oxen and a plough were normally expected to be provided by the tenant, but now the landowner provided all inputs including a tractor for ploughing. Now the landowner retains control over the major inputs and over production itself while the "sharecropper" only provides his and his family's labor-power. In a variant of this system, the *tiseri* system, "the landowner supplied 2/3 of expenditure for fertilizer and seeds, and provided irrigation, while the sharecropper provided all labor as well as the remaining share of inputs, and received one-third of the harvest." (p. 188) Thus one can clearly see degrees of dispossession or proletarianization at work here.

It should be pointed out that such systems of cost-sharing in sharecropping have existed for a long time (in West Bengal land reform legislation stipulated different shares for the tenant depending upon the share of cost borne by him/her). But these "feudal" relations have in some instances resurfaced after decline. For example the above-described system in

Jaunpur is also an old system of organizing production but Lerche notes that since the 1980s it has become a common way of cultivating paddy because the landowners have found it to be a cheaper way of organizing the labour process as compared to daily wage-labour.

Lerche (1999) also notes labor militancy (a strike every third year) and consequent rising wages in a village in Jaunpur district. Partly the laborers have also benefitted from a split in the landowning class between old upper-caste landlords and newer Yadav ex-tenants. The tiseri system became more prevalent in the 1990s as agricultural wages increased. According to Lerche it has been adopted by landowners as a strategy to handle labor conflict. Here again we see, as in the case of attached labor in Haryana, the emergence of what appear to be feudal relations of production (share-cropping in this case, attached or bonded labor in the case of Haryana) but which are really responses to new conditions created by changes in technology as well as caste/class struggle.

### Lerche concludes that:

The transformation over time of draconian permanent unfree labor relations into labor relations involving various degrees of unfreedom, as well as the decrease in and transformation of sharecropping, are important aspects of the overall development of labor relations in the two villages (one in Muzzafarnagar district, West UP and one in Jaunpur district, East UP). (p. 192)

The unfree relations referred to above are also strategies employed to keep agricultural wages down. Hiring a laborer during the lean season by paying six months wages in advance (effectively as a consumption loan) entails lower wage costs since hiring the same worker only when really needed (during peak season) would cost much more (demand for workers in high during peak season and hence so are wages).

Agricultural laborers are at the bottom of the wage hierarchy, in general. For example Lerche cites the wide difference in Muzaffarnagar between agricultural and non-agricultural wages: Rs. 50-70 for a day's work in the brick kilns of Punjab versus Rs. 25-30 on the farm (1998 prices).

While this resulted in migration out of agriculture, the landowning peasants still found the local agricultural wages too high and applied pressure to keep wages down. While Lerche does not take this any further, it seems reasonable to conclude that this situation resulted from decreasing margins and increasing unviability of agriculture. Very small peasants also need to hire in labor during the peak season and it seems reasonable to suppose that they would find an increase in wages harder to bear than would larger peasants, and hence would be likely to oppose such increases. As can be imagined this situation greatly complicates class politics on the ground, setting small and marginal peasants (who may themselves also be working sometimes as wage workers) against agricultural wage-workers.

On the flip-side, this also means that agitations for lower input prices (cheaper seeds, fertilizer, pesticides, electricity) and higher output prices can draw on support of peasants as well as landless laborers since more remunerative prices can make higher wages more affordable. While this has been the approach of the farmers unions in order to create a rural coalition against the State and urban capital, this claim is also met with skepticism from left commentators who see small farmers and agricultural laborers as irreconcilably opposed in class terms.

Micro-level studies also reveal the great importance of non-farm rural employment in setting the terms of farm employment. Deepankar Basu, in his essay on Bihar has also commented on this issue. Availability of non-farm options is expected to improve the bargaining power of agricultural laborers and hence improve their wages. The importance of non-agricultural employment has indeed steadily increased in most parts of the India. In west UP between 59 and 70 per cent of income of landless households came from non-agricultural employment (Lerche 1999). Srivastava (1999) in village studies conducted in west, central and east UP also underlines the importance of non-agricultural employment. In four of the six villages studies non-agricultrual employment accounted for more labor days of the year than agricultural employment. However much of this employment is migrant. Only in one village (Siswa in west UP) was there a substantial amount of local non-agricultural work available (66% of total employment days).

The importance of non-farm employment is also noted by Ruthven and Kumar (2002) in their study of a village in the southern part of Allahabad district in eastern UP. The authors note that:

Off-farm wage labour includes the opportunities in construction and repair of roads, canals and buildings offered by the government and private sectors around the village and in regional towns and cities. It also includes less significant types of unskilled work such as stone-breaking in quarries.

A somewhat lengthy quote from the authors will give a concrete sense of the forces at work in creation of non-farm employment:

...several sources of work were on the rise at the same time. The carpet sector was taking off, with contractors from Mirzapur and Bhadohi reaching out to remote regions, setting up and sourcing from units which could produce at a lower rate. There are several among [the] respondents who were themselves unit managers (managing 10–20 workers each) and, over the period, upgraded their living standard significantly from one which was previously based on harvahi, sharecropping or jajmani service to landlords. Secondly, the stone quarry in Drummondganj just 10 km from Barahulla village was a year-round last resort for labourers from the village, where work was poorly paid but easy to come by. Thirdly, Barahulla labourers also benefited from the construction of the National Highway (NH7) in the same period.

#### Political reflections:

In conclusion we offer a few general remarks on the politics of the agrarian sector. Demographic pressures on land have slowly achieved what politically compromised landreforms could not achieve in rural India. The large-landing owning households now represent a small and decreasing portion of the rural landscape. The power of the rural elite now derives not only or even mainly from land, but from access to the urban centers, from professional education or from political connections. Perhaps counter-intuitively, this has not meant a more egalitarian distribution of land, because the number of small and marginal peasants has grown faster than their share of the land. However, it still has important political consequences. The older agrarian struggles essentially pitted a land-hungry peasantry (share-croppers and landless laborers) against the landed elite (absentee landlords). The new struggles of the last few decades are struggles against eviction from land or struggles for more and better inputs as well as remunerative output prices. In other words they are the struggles of a landed peasantry against State and private capital. Rather than seeking a unification of the means of production with those bereft of such means (the older land reform project), these struggles are against dispossession from the means of production either by force (primitive accumulation) or via market forces (by making agriculture unviable via unfavorable terms of trade).

Haryana and west UP on the one hand and east UP on the other hand offer examples of different paths leading to similar results: an increasing commercialization of peasant agriculture, a declining importance of land reform as a political weapon, and rising importance of struggles against dispossession as well as struggles for more reliable inputs and better output prices. In Haryana, the relevance of this might be expected given the strong presence of the Jat peasant caste. But even in east UP, where landholdings are much smaller, they are no less commercialized. Even the small and marginal peasants rely heavily on commercial seeds, fertilizer and pesticide, as well irrigation and electricity and they sell significant portions of their output (nationwide, according to the NSS, marginal peasants sell 44% of their output in the market). The intensity of the struggles against dispossession (whether for SEZs, or other industrial projects, malls etc) is well-known and Dipankar Basu (essay on Bihar) offers some analysis on why peasants defend their small plots of land so vigorously. However the struggle to retain agricultural land is only part of the larger rural struggle to make agriculture once more a viable livelihood. The conflict over terms of trade is the other part of this, as least for now.

I thanks Dipankar Basu and Debarshi Das for comments.

### Further Reading:

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#### 4 Comments »

4 Responses to "Agrarian Change in North India: Evidence from Haryana and Uttar Pradesh"

## 1. kk Says:

#### September 28th, 2010 at 23:06

1. "agitations for lower input prices (cheaper seeds, fertilizer, pesticides, electricity) and higher output prices can draw on support of peasants as well as landless laborers since more remunerative prices can make higher wages more affordable."

Let's fatten the masters, so they are able to throw a few crumbs to us.

2. "the struggle to retain agricultural land is only part of the larger rural struggle to make agriculture once more a viable livelihood."

half-truth propagated by the farmer lobby. the largest segment of rural population does not have a viable livelihood. that's why they complement it with agriculture. and they want to make good out of whatever they have got.

# 2. pradip kar Says:

### October 21st, 2010 at 08:01

Its a valuable article for student, researchers, social activists etc. In west Bengal the agrarian scenarios are also changing fastly by the recommendation of Mckinsey. Agricultural land changing for other purposes. contract farming are going on. The traditional and scientific cultivation are destructing purposefully by the govt. & intensionally alllowing the TATA, BIRLA, AMBANI with multintionals etc. in the agricultural field. So-called Land Reform is now on stakehold. W.B. Govt. report also shows that the patta(right)holders are displacing from the land. Marginal and poor peasants are in agony position & increasing largely with landles agricultural workers. On the other hand the big land holders in different shapes are coming back in W.B. waiting eagerly another article from the author regarding w.B. agriculture.

# 3. JAGIR SANDHU Says:

#### November 2nd, 2010 at 23:33

i am very about the learned scolarl artical comments also very fine but what solution as long as corruption is like blood cancer in each and every tissue do whatever wiyh good sense finally ends with chios strange what remedy to exising crisi agarion as well un emloyed youths and under employed ones

# 4. JAGIR SANDHU Says:

#### November 2nd, 2010 at 23:38

i am very happy about the learned scolarly artical and comments on this also very fine but what solution as long as corruption is like blood cancer in each and every tissue in our society do whatever with good sense finally it ends up with chios strange what remedy to exising crisis agarion as wellas un emloyed youths and under employed ones also the industralisation etc

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