CHAPTER 7

Summary and Concluding Remarks
In the earlier chapters an attempt was made to examine the nature of changes in agrarian class structure and relations, in the context of growing commercialisation, capitalist tendencies and increasing state intervention in agriculture, based on an indepth study of Palaparru village during 1950-91.

Looking back over a period of forty years from 1991 the village underwent significant changes. There were chances in the socio-economic life of the people in the village in general and agrarian relations in particular. The state and market forces entered into village more than ever before. The village became increasingly affected by these larger economic and political processes working outside village. This impact was gauged in terms of the responses of the village society in the context of overall developments.

7.1 Agrarian structure and relations during the colonial period.

The trends revealed that (a) the agrarian structure in Guntur was highly stratified even before commodity production became widespread and wealth was disproportionately distributed among different sections of the peasantry. The growth of commercialisation in the late 19th and early 20th centuries further strengthened these inequalities. The upper stratum of the peasantry responded more favorably not only to the cash crop production but also in marketing of the crops. It was this section
which had a certain degree of autonomy and independence in credit relations and control over resources, benefited more than the other sections. The most significant development of commercialisation was the diversification of resources by the rich peasants into moneylending and agrarian trading activities. The multiple control of rich peasants over land and especially over the credit and trading markets further strengthened their position in the village economy and politics. But the traditional moneylenders/traders also, though on the retreat, continued to be an important force. Soon the small and poor peasants were also drawn into the process of commercialisation and production for the markets. As a result there was an increase in their dependency over the credit system for production purposes, rather than for mere consumption.

The presence of highly stratified agrarian structure and the commercialisation of agriculture resulting in the increasing concentration of wealth and power in the hands of a small section i.e., the rich peasantry and increase in the dependency of small and poor peasants on the credit market are more in accordance with the 'rural magnate' thesis of Mashbrook-Baker than Bruce's thesis of 'Independent small and middle farmers'. Yet, the Washbrook-Baker model has its own limitations. first, its emphasis on the role of the upper stratum of the peasantry in their control over credit and trade markets and further in their control over a large mass of small and poor peasantry is not confirmed in this study. The study suggests that the dominance of
the rich peasantry over the village credit and trade markers was not absolute and the traditional moneylenders and traders within the village and from outside still played an important role. Secondly, to imagine that the small farmers were so dependent that they were dictated by the 'rural magnates' even in matters of crop choice is not borne by the observations made in the study area. Thirdly, the 'rural magnate' thesis does not provide any scope for the important role played by the colonial capital and the colonial state in the process of commercialisation. In Guntur the process of commercialisation was clearly influenced by the policies of the colonial government and the foreign capital. The introduction of F.C.V. tobacco and its growth was a very clear example in this regard.

7.2 Changes in class structure and mobility 1950-91.

The introduction of the green revolution in the late 1960s and changes in the cropping pattern (shift from tobacco to cotton) further strengthened the process of commercialisation which had started during the colonial period. The introduction of adult franchise, elections to the Loksabha, the state assembly and the panchayat raj institutions and increasing intervention of state in rural areas through various public policies like extending institutional credit, crop procurement policies, and reform measures and certain welfare interventions had significant impact on the socio-economic life of the people in general and agrarian relations in particular in the study area.
Changes in the class structure and mobility in Palaparru and reasons for these changes were examined through the retrospective) data on changes in land ownership patterns and labour use practices of the 76 sample households selected from the resident village population in 1991 and from those who migrated out of the village since 1950. The sample households were classified by alternative classification schemes based on the size of landholding and labour use practices. And transition matrix analysis was used to measure the mobility of the households. Using landholding size as an indicator of the category of the household, the following trends were observed.

7.2.1 Decline in the concentration of land ownership

In Palaparru village like in most other parts of the rural India land ownership is unequally distributed among different households. The degree of inequality in the ownership of land was much greater in the past. In Palaparru in the year 1950 the top 10% of the land owning households in the sample owned about 54% of the total land of the sample households. The share of the bottom 60% of the households, (including landless households) was about only 6% and the middle 30% households owned 30% of the total land. Though the land ownership remained heavily concentrated even in 1991, compared to 1950, yet, the degree of concentration and inequality shown a declining trend. In 1991 the share of the top 10% of the households declined to 54%. whereas there was an increase in the share of the bottom 60% of the households, which was 8% as against 6% in 1950. The middle 30% of the households
improved their share more than the bottom 60%, owning about 38% of the land as against 30% in 1950. The Gini co-efficient values measured for the years 1950-1991 too show a declining trend in the land inequality. The values are 0.75 in 1950 and 0.70 in 1991. The declining trend in the concentration of land ownership and land inequalities was more clearly observed through the transition matrix approach. The big landowners category (above 10 acres) declined in its size and also lost considerable amount of land. The lower landowning groups especially marginal landowners (below one acre) and landless gained land.

These results are in accordance with several micro level studies on South India. John Harriss (1991), Athreya et al (1990), da Corta (1991), Attwood (1979), Cain (1981), Rao (1972) K.V Reddy (1985) etc. found decreasing rather than increasing polarisation in the structure of land ownership. Some of these studies (Attwood, 1979; Rao, 1972; Reddy, 1985) took this evidence as an indicator of overall decline in economic inequalities among rural households and questioned the applicability of Lenin's theory of peasant differentiation to South India. But the analysis of differentiation as a social process calls for more than simple inspection of indices of land concentration. Inequality in land ownership is only one aspect of general inequality (Atareya et al 1990). It can not be taken as the sole indicator of economic differentiation found among different classes of the peasantry. The loss of land by the big landowners does not necessarily mean that their economic position also declined. In a similar way the
gain of land by the poor also does not necessarily mean that their economic position has changed significantly. On examining the reasons for the rich losing their land and the poor gaining land, it was found that the decline in the concentration of land ownership did not indicate a decline in economic inequalities. On the other hand the data on reasons for land transfers suggest that land levelling occurred in the context of rising total asset inequality as many rich landholders have sold land to invest in more profitable activities. The poor on the other hand gained small amounts of land, which is of lesser economic significance especially in the context of growing importance of the relatively more profitable non-agrarian activities. It also confirms Harriss' observation which states that the land is losing its primordial importance as the basis of household wealth and it is no longer enough to attempt to study rural differentiation by examining agricultural production and landholding in isolation from other activities (Harriss, 1992, p.197)

7.2.2 Labour use (class) Mobility

Considering the limitations of using land holding size as an index for identifying the class position of the households in Palaparru, an attempt was made in this study to apply the 'labour use criterion' which is considered to be a more appropriate index for the classification of the rural household (Shanin, 1980. Patnaik 1976 & 1987). On the basis of data on primary, secondary and tertiary activities in terms of labour time spent by the head of the household (or main income earning member of the family) in
1950, 1969 and 1991, a schema based on a modified version of Reomer's labour classification schema as applied by da Corta (1991) was used in this study.

In contrast to the land mobility matrices the labour class matrices revealed high degree of immobility or stability in the labour use practices of the sample households over the period 1950-91. Nearly 2/3 of the sample households (64%) did not witness any change in their labour use practices and remained in the same class category. The main contributors for this overall immobility are the labour hiring in classes (class I and II) i.e. capitalist farmers, rich peasants, big merchants and relatively high salaried employees who mainly depend upon others’ labour. The 80% of the households in class I and 75% in class II did not witness any mobility and remained in the same class between 1950 and 1991. The labour hiring out classes (class V and VI) i.e. poor peasants, labourers, low salaried employees also contributed to the overall stability. As many as 57.1% of the households in class V held the same class position between 1950 and 1991. Though class VI (labourers) also witnessed a high degree of immobility (63.3% remained in the same class) there is a significant decline in the size of this class. There were 39.5% of the labour households in the sample in 1960 and this number declined to 28.9% in 1991.

In contrast, the self employed classes who mainly depend on their family labour (class III and IV) i.e. small and middle
peasants among agrarian classes and petty traders, artisans etc. among non-agrarian classes have witnessed relatively high degree of Mobility. Around 50% of the households in class III and 43.7% in class IV in 1950 have witnessed mobility and moved into other classes. Downward mobility was slightly greater among these classes than upward mobility. Though the self employed classes have witnessed relatively higher degree of mobility there has not been any marked disintegration of these classes. The self employed classes particularly the agrarian classes of the middle and small peasantry remained constant as a category. There has not been any change in the size of these classes over the period of 1950-91. The size of class III has slightly increased from 10.5% of the sample households in 1950 to 13.1% in 1991 but this change resulted due to an increase of the non-agrarian households in this category. The proportion of non-agrarian households in class III increased from 10.5% in 1950 to 13.5% in 1991.

The size of labour hiring in classes also increased significantly from 10.5% of the sample households in 1950 to 15.8% in 1991. This was mainly due to an increase in the size of non-agrarian households in these classes. The size of non-agrarian classes in class I and II i.e. big merchants, traders, relatively well paid job holders (executive position like, managers, supervisors etc.) increased from 12.5% of the households in 1950 to 37.3% in 1991. The relatively low mobility and the increase in the size of labour hiring in classes indicate
that both class consolidation and class formation have been taking place among these classes.

7.2.3 Reasons for mobility

Based on detailed qualitative information on the history of mobility of each household, an attempt was made to identify the primary and the most important reason for the change in the class position of each household.

The reasons for mobility are grouped into four broad categories i.e. demographic factors, market (economic) factors, government interventions and other factors.

An examination of the reasons for upward or downward mobility of the households indicate that, the non-demographic factors such as market and government interventions are more important causes for influencing upward mobility, involving 20 out of 22 cases of upward nobility. Of all the 20 cases of upward mobility, 14 of them are influenced in one way or another by market factors (direct or indirect influence of commercialisation and the green revolution) and 6 cases are influenced by various policies of the government. While the market factor plays an important role in influencing the upward mobility of households belonging to the rich peasants and middle peasant categories, government intervention is the most important factor for upward mobility among the labour category. Non-demographic factors, mainly the impact of market, also played an important role in influencing
downward mobility, involving 5 out of 10 cases of downward mobility.

The impact of demographic factors on upward mobility is very insignificant. Of the 22 cases of upward mobility, only two of them are influenced by demographic reasons (having a single male child). However, demographic factors, mainly the influence of partition, seems to be a very significant factor in causing downward mobility among small and middle peasants. Of the 10 cases of downward mobility, 4 of them resulted from the partition of households. Out of these four, three belonged to small and middle peasantry. The partition factor has mostly had the effect of polarisation of the classes.

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

What do these trends signify? The fact that the majority of the sample households did not witness any mobility in their class position and remarkable stability or immobility among the two extreme classes i.e. labour hiring in (class I and II) and hiring
out (class V and VI) classes suggest that the Chayanovian (1925) thesis of cyclical or multidirectional mobility as the chief characteristic of peasantry is not quite relevant to the study area. Cyclical or multidirectional mobility implies that the observed inequality among different peasant households is not a permanent feature. The peasant households have a tendency of moving upward and downward in their economic positions during their family biological life cycle. The classes which have witnessed some degree of multidirectional nobility in Palaparru are mainly the self employed classes (middle and snail peasants and non-agrarian self employed classes). But the nobility among these classes can not be totally attributed to demographic factors (changes in consumer and worker ratio, substantive changes i.e. partition, merger, extinction, out migration, immigration etc) as suggested by Chayanov and recently by Attwood (1979), Harriss (1991) etc.

However, the evidence from Palaparru also does not give any indication whatsoever that there has been a clear trend towards the increasing polarisation and differentiation of classes into two extremes i.e. labour hiring in and hiring out classes resulting from the disintegration of the middle classes suggested by Lenin (1898) and recently by Pearse (1980). Griffin (1974) etc. However, there are indications that both the labour hiring in and hiring out classes are consolidating. But this trend is more clearly observed in the labour hiring in than hiring out classes. The fact that there has been a decline in the
proportion of labour hiring out classes, particularly the pure agrarian labourer class and considerable degree of upward mobility among these classes, mainly due to state Intervention and the direct or indirect impact of the green revolution, suggests that the green revolution in the study area has not intensified the trend towards proletarianisation in the sense of increasing the size of class of labourers. Despite the fact that there has been some nobility among the middle classes who are mainly dependent upon their family labour, there has not been any marked disintegration of these classes. The middle classes particularly the agrarian classes of middle and small peasantry as a category remained constant (there has not been much change in the proportion of these households between 1950 and 1991). The process of depeasantisation which involves disintegration of small and middle level peasantry or dissolution of small scale peasant production as anticipated by Pearse (1980), Griffin (1974) etc has not occurred in the study area.

The evidence thus far seems to reinforce the views of Kautaky (1899) and recently in the Indian context by Banaji (1977). J. Harriss (1982 & 1989), Athreya et al (1990) etc. where a synthesis between the Leninist and Chayanovian schools of thought may be found. These scholars maintain that the capitalist development can occur along with the viability of small scale Peasant production through the self exploitation of individual members, urban remittances. through new forme of exchange
relations with merchants or agro-business companies and increasing relations with the state.

But the analysis of differentiation and Mobility as a social process calls for more than a simple quantitative analysis of nobility matrices which only estimate the changes in the proportion of different classes and nobility among these classes. Hence the analytical usefulness of Leninist, Kautskian and Chayanovian models of agrarian change can not be reduced to simple analysis of changes in class structure and mobility (da Corta 1992). The quantitative analysis of changes in class structure and mobility does not adequately reflect important qualitative changes in class relations (relationships between different classes i.e. labour and employer, merchant/moneylender and small and middle peasants etc.) which have occurred with the development of capitalism in the study area. For instance, they do not explain the qualitative changes in the bargaining power between labourers and employers and the changes in terms and conditions of credit relations between small and middle peasants on the one hand and merchants/moneylenders on the other. Hence an agricultural labourer or small or middle peasant today are not subject to the same contractual obligations as their predecessors in 1950.

7.3 Changes in the labour and employer relations

The nature of the relationship between labour and employer underwent significant changes since 1950. The most important development that took place was the decline of unfree or attached
relationship which reflected in the virtual disappearance of the system of jeetham which existed in Palaparru in the early 1950s. This was replaced by the growth of relatively free daily wage and contract labour arrangements with different terms and conditions.

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

In the early 1950s the labour in general were poor and could not afford to have proper food, clothing and housing. The position of jeetham labourers was much worse than the other type of labourers. Caste practices played an important role in the labour-employer relations. A large portion of labourers were mainly from the lower castes. The labourers belonged to S C and S.T communities were socially looked down upon and untouchability was practiced to a large extent against them.

By 1990s there was a change in the bargaining power between important changes took place in the bargaining power between labourer and the employer. The system of jeetham virtually
disappeared even before the Government of India passed legislation abolishing the bonded labour system in 1976. The daily wage system acquired a new significance and some important changes also took place in the terms and conditions of this system. The daily wage labour of the 1990s is more free and mobile than the daily wage labour of the 1950s. A new system of labour arrangement i.e. the contract or piece rate wage system which was started in the late 1950s in palaparru gained prominence in the recent years. In terms of relative significance of various types of labour arrangement, it is the daily wage system which formed the dominant form of labour arrangement and played a significant role in the village economy in 1991. Next, the contract wage system became increasingly popular and acceptable both to the labourers and employers. If this trend continues this system might replace the dominant position of the daily wage system.

The labour in general were found in a much better position in 1991 when compared to their position in the 1950s. Several factors contributed to the change in the labour-employer relations. These include the changes in the cropping pattern (shift to cotton), the production process (introduction of new technology in the form of H.Y.V seeds, fertilisers, pesticides, mechanisation of agricultural operations etc.), changes in electoral politics, government legislative measures for the upliftment of the poor etc.
The introduction of cotton which is both labour and capital intensive crop and change in the production process contributed to an increase in the employment opportunities for the labourers in a significant way. The supply of labour power did not increase to the extent of rise in the demand for labour. This has led to the problem of labour scarcity during peak seasons. The problems of acute shortage of labour has given rise to the emergence of a new form of labour arrangement ie. the contract system\(^1\). It has also led to the large scale immigration of seasonal labour to Palsparru from other backward areas during harvest seasons. The growth in the contract wage arrangements and the large presence of migrant labourers have led to the further segmentation of labourers by dividing them into migrant and local and contract and daily wage labourers.

The growth in the employment opportunities and subsequent rise in the wages helped the labourers to improve their economic conditions and thereby reduced their traditional dependence upon their employers due to extra economic compulsions. The state legislative measures for the upliftment of the poor despite serious problems in their implementation and limitations in their coverage have also helped some of the labourers to improve their standard of living. Thus the dependency of labourers on state has increased and the role of state become crucial in understanding

\(^1\) Several studies in recent years have reputed a similar phenomenon of 'labour scarcity' and emergence of new form of labour arrangements in rural labour market See Harriss (1992) for a detailed review of these studies.
the changes in labour and employer relations.

However an increase in the wage rates and changes in terms and conditions did not benefit the male and female agricultural labourers equally. Inspite of the growth in employment opportunities in agriculture for female labourers their wage rates and terms and conditions did not improve on par with male labourers. This reflected in the gender division of wage labour where the female laboureres were preferred to perform low paid wage activities.

The decline of unfree labour relations, relative improvement in the living conditions of the labourers and the decline in the size of the class of pure labourers indicate that a complex pattern of proletarianisation has been taking place in Palsparru. The classical pattern of proletarianisation which involves growth in the size of the labour class which is free from extra-economic compulsions is not taking place in Palaparru. A partial proletarianisation which involves the decline of unfree labour relations without leading to the growth of the size of agricultural labour class is the one which explains the process of change in labour relations in Palaparru

7.4 Changes in credit relations.

The credit market in Palaparru had witnessed important changes during 1950-91. The introduction of green revolution and shift in cropping pattern in the late 60s were instrumental in bringing about the deeper penetration of capital into agricultural
production. It also intensified the dependence of a large section of small and poor peasantry upon the credit market. The expansion of the formal credit sector with the intervention of government was quite significant and played an important role in curbing the overall dominance of private moneylending capital. But the formal credit sector did not sufficiently address the growing credit needs of the small and poor peasantry. The benefits from the expansion of formal credit institutions were not equally shared by all the sections of the peasantry. The capitalist farmers and rich peasants were benefited more than the small and poor peasant classes. The small and poor peasants in the study area continued to depend upon the private credit market for their production and consumption needs.

During 1950-91 the private credit market underwent important changes. In the early 1950s it was observed that private moneylenders had virtually dominated the village credit market. Among private moneylenders, the role of agricultural moneylenders (landlords, rich peasants) was significant. The credit market was closely interlinked to other markets i.e. labour, product and land. The labour and harvest tied credit transaction were prevalent among small and poor peasantry. Over a period of time the role of agricultural moneylenders declined quite considerably. They were replaced by merchants and traders. The relatively greater profitability of trading and moneylending than in investing in cultivation attracted several new people into these professions. Most of them who entered recently into these professions were
capitalists and rich peasants who got benefited more and acquired good profits from cotton cultivation. As more and more people entered into credit market through cotton trading and fertilizer business, it created competition among them.

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

This evidence suggests that the introduction of the green revolution which hastened the process of commercialisation and capitalist tendencies in the study area did not lead to the depeasantisation or dissolution of small scale peasant products. The small scale peasant production has been contiguously reproducing itself. The circuit of reproduction involved relations with the landlord, merchant and usurious capital in the

\[2\] The studies of Harriss (1982) and Athreya et al (1990) of Tamilnadu villages also found a similar observation of declining the role of usury in the credit market.
1950s whereas in the early 90s it was the Merchant, agro-industrial capital and increasing relations with the state. nevertheless the small scale peasant production underwent important changes. Its dependency on external forces i.e. market and the state increased. It became acre commercialized and became a part of the wider economy. There was a clear indication of transition from the subsistence oriented farming to more commercialized family farming.

7.5 Changes in tenancy relations

The institution of tenancy always played an important role in Palaparru. It underwent significant changes during the last four decades particularly after the introduction of the green revolution in the late 60s.

The share cropping, fixed produce rent and usufructuary forms of tenancy which had some relevance in the 1950s have completely disappeared. The fixed cash rent which was mostly confined to tobacco cultivation and to the upper class tenants in the 1950s became most dominant form of tenancy arrangement in the early 1990s. Nearly 90% of the leased in area in 1991 was transacted under this arrangement only. The attacked labour tenancy which had showed a declining trend during 1950-77. acquired now significance in recent years. During 1977-91 the proportion tenant households and area leased in under this arrangement increased.
been the significant increase in the extent and magnitude of tenancy. This observation goes against the findings of several micro and macro level studies which have reported steep decline in the area under tenancy during the last four decades.³

The introduction of the Tenancy Reform Act in 1954 and green revolution in the late 60s certainly had some negative impact on the growth of tenancy in Palaparru. But this trend did not last long. As the use of H.Y.V technology and chemical fertilisers and pesticides began to intensify after 1977, the extent of tenancy also began to increase simultaneously. This increase in the extent of tenancy was mainly due to large scale of out migration to urban centers and shift to non-farm activities by the well to do farmers. Most of these migrants preferred to lease-out their lands than to sell them as there was greater demand for leasing in than buying the land.

The transactions in the land lease market in recent years presents a complex picture. In most esses the land is transacted among relatives, close friends and people who belong to the same class background. This is more so in the case of upper classes.

This observation has several implications. It does not correspond to the broad trends identified in the literature. First, the

³ Several micro and macro level studies on changes in tenancy relations have reported a trend of decline in the magnitude and extent of tenancy in the post-Independence period see Sharma (1994), Farthasarthy (1991). etc.. for a detailed review of these studies.
to the broad trends identified in the literature. First, the traditional variety characterized by the dominance of large landowners as rentiers and small and marginal holders as tenants. The second variety characterized by the dominance of lover categories of households as rentiers and medium and large landowners as tenants. The land lease market broadly appears to have been dominated by tenants and rentiers belonging to more or less the same class background.

In sum, the broad trends in labour, credit and tenancy relations during 1950-91 indicate that there were significant changes in the nature of relations between different agrarian classes. The old forms of dependency relations largely based on extra-economic compulsions declined in their significance and replaced by new forms of dependency based on capitalist market relations.

The introduction of the new agricultural technology and changes in the cropping pattern strengthened commodity relations and capitalist tendencies which brought the village economy closer to the wider market nexus. The cultivation became more extensively monetized because of the producers' needs for more and more costly inputs. The increasing monetary requirements of peasants particularly the lover strata among them to buy the inputs, brought them into the market more than ever before and they became increasingly vulnerable to the fluctuations of prices determined on a scale far beyond the village by the play of
national and international market forces. Cotton being an export crop this dependency on the outside markets also reflected in the marketing of the crop.

At the same time the potential profitability of H.Y.V. cultivation gave fillip to the expansion of capitalist production in agriculture. Yet it seemed that this expansion was already constrained because of the interlinked factors. Capitalist farmers could not easily expand their activities because of the land constraint and the difficulty of expanding the size of their faros. The continuous reproduction of small scale family based production made them to look for other profitable avenues. Some of them have migrated to urban centres and invested in non agrarian business activities (agro-processing industries, cotton trading, moneylending, real estate business, service sector etc.). The others who continued with cultivation also started diversifying their economic activities. This process of shift in occupations and diversification of economic activities by the rich brought important changes which have been mentioned in the previous pages on credit and tenancy relations.

The introduction of the new agricultural technology and changes in the cropping pattern though significant do not Adequately explain all the changes in labour, credit and tenancy relations. The strategic role played by the state in agrarian transformation is also crucial in understanding these changes. The introduction of adult franchise, elections to legislative bodies and the increasing intervention of state though various
public policies such as land reforms, expansion of institutional
credit and a variety of anti-poverty programmes had a significant
impact on the nature of changes in agrarian relations. The
effects of these interventions are diverse and complicated. On
the one hand they have created conditions for the rich to
accumulate more wealth and on the other hand they also helped the
poor to sustain and even to improve themselves to some extent.
The role of formal institutional credit and other Welfare
interventions was crucial in reproducing the small scale peasant
production. Inspite of all the deficiencies the net effect of
these welfare interventions of the state on labour and employer
relations was the increasing consciousness among the labourers to
bargain for better conditions of work. There was an
intensification of the direct access of the members of these
classes had to the state and its Institutions. In a sense the
enhanced role of the state is crucial to understand the changes in
agrarian relations.