CHAPTER VI
SUMMING UP

This study on rural labour processes has been motivated by the need to understand the changing life and work conditions of rural labour in the regional context. It has sought to contribute to the ongoing discussion on the nature and potential of the notable growth in rural non-farm activities in India in the past two decades. But the framework adopted might be of larger interest in the analysis of rural change.

The methodology recognises three units of study: The region (district), the village and the household. To overcome the dichotomy commonly perceived between 'micro' village studies based on primary data and the 'macro' studies based on aggregative published data -- and at the same time to preserve the regional specificity of a large economy -- the regional (district) economy is taken as a 'complete system' for identifying the broad force of commercialisation and the pattern of accumulation. The major database for this is published and unpublished official data at the district and sub-district levels. The comprehensive village studies and household-level data, obtained through census and sample surveys, are then used to examine how the force of commercialisation is 'absorbed' through changes first in rural institutions, agrarian markets and class formation, and eventually in the choices confronting labour households.

It is argued that the key element behind the dynamism manifest in rural India today is the changing character of commercialisation. An adequate specification of the commercialisation process must allow for accumulation viz. the forms and pattern of reinvestment of agricultural surpluses, and the portfolio of investment choices confronting the
'surplus' households. This is particularly important if accumulation in an agrarian economy is not leading to 'centralisation' of land or dispossession of the peasantry. The process of accumulation, in turn, may have strong intersectoral and spatial dimensions in terms of mobility and control of capital, enterprise, and labour. Accumulation thus transforms commercialisation into a circular and cumulative process, with the consequence that 'agriculture' and 'non-agriculture' or 'rural' and urban cannot be viewed as dichotomous entities. The social classes may not then be identified with any single criterion like size or scale of landholding. The process of intensive commercialisation is aided by the critical role of the state in the building up of institutions and infrastructure needed for accumulation. Its attempts to intervene in rural labour processes may also have a significant effect on the formation of rural labour markets.

In Chapter I, a description of the study region is offered with an outline of the recent evolution of intensive commercial agriculture in East Godavari. Commercialisation is reflected in the high proportion of sown area, declining fallows, and a high cropping and irrigation intensity, especially in the delta. Regional Specialisation in crop cultivation is evident, with two HYV paddy crops in consecutive seasons in the delta having replaced sugarcane and vegetables which have almost completely shifted to the uplands. The long established delta-upland nexus has also undergone change, with delta farmers converting their old pasture lands in the uplands into orchards. Yet, the ecological constraint on intensive cultivation of paddy in the delta appears to be drawing close. This is reflected in the complexity of pest management and a near breakdown of the drainage system.
The expansion of markets in agricultural commodities, especially rice and fruits, and their integration with national markets have been decisive factors in promoting the growth of farm surpluses in East Godavari, apart from the critical impact of pricing and procurement policies in the case of paddy (Chapter II). The pattern of accumulation that followed in the district has favoured the growth of industry and services, in both villages and towns, on the one hand, and the emergence of new products within the primary sector, on the other. The latter include pisciculture, dairying, poultry farming, sericulture and oil palm. The regional landlord-technocrat combines have made their presence felt during the 80's in the region's large and medium scale manufacturing and the modern small scale sector. The medium and small landholders have taken to agroprocessing (e.g. rice mills, sago mills, saw mills, brick kilns), and other small-scale manufacturing in a big way. In addition, a pervasive growth of the tiny sector and household enterprises in villages and towns is evident even going by the rather dated Economic Census data.

Large, medium and small scale manufacturing in the region displays strong linkages with local agriculture and resources, with fairly sophisticated technologies characterising the manufacture of food products, and paper products in the large/medium sector. In terms of demand conditions, the large and medium units cater to the national markets while the small scale industry is oriented more towards regional markets and intermediate consumption needs of local agriculture by way of inputs and farm mechanisation.

Although secondary data on the services sector is poor, field survey evidence indicates that it is probably larger than manufacturing in size of investment, employment and output, even when the growth of
administration is ignored. Household level data suggest significant involvement of bigger cultivators in urban trade and business and transport. The rural non-farm enterprises referred to above are predominantly services -- wholesale/retail trade, repairs and community services. These received considerable fillip from government programmes of rural self-employment. Further, with the decline of jajmani relations in the village society, the traditional caste-based services are being run as 'shop-business'. An interesting feature of non-farm production in the regional economy is that while large, medium and small scale units meet variously the national and local intermediate demand and the service sector caters essentially to local demand, local consumption demand for manufacturers is met primarily from urban centres as noted in the Appendix.

Chapter III analyses the impact of the accumulation process on observed changes in regional agrarian 'markets'. The growing involvement of the big and medium cultivators of the delta in non-farm enterprises is a major reason for the activation of local land markets. These cultivators show an inclination to dispose of part of their holdings in the delta once their urban and non-farm ventures stabilize. Some of them also prefer to buy up cheap lands in the upland plains to convert them into orchards. This among other things would drastically reduce labour requirements.

Marked changes attend the lease market. Rising productivity and continuing land hunger have kept up the incidence of tenancy in the region, and the fact that 'portfolio' farmers seek comparable returns from the lease of land has had a ratchet effect on paddy rentals in the delta. The fixed kind rentals in paddy cultivation in the delta are high enough to cover the entire outturn of the first paddy crop. High
tenant switching and single crop leases mark the delta lease market. In the uplands, fixed cash rents have steadily risen and there is an insistence on advance payment of rents i.e. before the crop is harvested or even sown.

The credit market is marked by the growth of organised private money-lending which meets the wide-ranging demand for credit in the wake of growing commercialisation that cannot be met by the institutional credit mechanism. Commercialisation of agriculture has had a salutary effect on the widely discussed phenomenon of 'interlinked' agrarian markets. The only linkage in the region that is surviving with some vigour in the delta is the credit-casual labour linkage designed to get over the peak season shortage of labour.

The implications of changes in the land, land lease and credit markets for rural labour processes are mixed. Although radical redistribution of land has not occurred and the extent of land accrued to the labouring sections through the market process is limited, a substantial number of households belonging to the weaker sections have benefited from the distribution of the government wastelands and grants of homestead lands. High rotation of tenants, shortening of leases, rack-renting and production risks have made land leasing a very risky option, especially for the 'pure' tenants. On the other hand, rising farm wages, self-employment and subsidised rice programmes, apart from the growing self-help schemes have in general helped the labour households gain freedom from the clutches of the village money-lender. However, labour-tying through credit in the case of farm labour persists to varying degrees in the delta and the upland plains. No case of output being linked to lease or credit contract has been reported, although cost-sharing tenancy occurs in pockets of the delta.
A dramatic change in the farm labour market in East Godavari is the rise of the casual labour market in the delta. Under this, a more or less anonymous pool of casual farm labour force comprising resident labour and seasonal migrant labour meets prospective employers drawn from surrounding villages at selected labour 'centres' scattered all over the delta. Labour is hired after careful screening and at negotiated wages. The farm wage labour market in this developed form is confined to peak seasons. In the lean months, a substantial chunk of the resident labour in the delta has to migrate to work on the paddy fields and tobacco nurseries of other regions in Coastal Andhra. An alternative means of sustenance is the growing household based sideline activities. Secondly, the very process of the development of the new casual labour market in the delta is encouraging exchange labour among petty holders and tenants who find the peak season wages exorbitant. Another strategy the petty tenants adopt is to lease in inferior and tail-end lands where peak operations can wait until a down-swing in the labour market; they also try to lease in lands on a partnership basis (viz. the phenomenon of 'joint' leases). Finally, child labour is becoming widespread in upland crop cultivation i.e. tapioca fields and orchards.

In Chapter IV, activity patterns and forms of labour are analysed in detail, focusing on labour use at the household level. It is observed that the supposed asymmetry between on-farm and off-farm labour among small cultivator households is waning in the delta as a substantial chunk of family workers from these households are able to take quick advantage of an upbeat peak season casual labour market. Given the discontinuities in demand for hired labour in crop cultivation, there is growing reliance on household production and
sideline activities like dairying among labour households, which in turn precludes them from migrating seasonally. Given the variety of costs such seasonal migration entails only those labour households who have to retire an old debt or raise money for lumpy expenditures are so migrating.

For about half to three-fourths of men in the non-cultivator households of study villages, non-farm employment is the chief means of subsistence. This confirms the essential fact of diversification in rural livelihood. The fact that most of the men so engaged have no secondary activity also points to the stability of their specialisation in the non-farm occupations. Yet when one examines the labour processes within the 'non-farm labour' sector, the heterogeneity of hire and wage systems stands out. In the rice mills, for example, men are employed as gang labourers in sweated labour conditions and against cash advances made to them from time to time. Many rice mill workers, once they are cleared of all debts from the owner actually return to farm labour over a cycle of, say, three years. Casual and contract labour working in the transport sector are recruited through a broker who charges a commission for arranging the transport and labour. There is a strong tendency here to form groups of contract labour on caste lines, given the growing caste consciousness in village society and the fact that caste gives the broker the much needed handle to control the labour process. Furthermore, once a labourer is involved in the transport sector he is not 'free' to take up peak season farm work because that would make him lose his 'contact' with the broker, and he may be weaned away from the gang. In the upland village of Singampalli, palmyrah-based work which is an important source of 'self-employment' for labour households is however subsumed under extra-
village putting-out networks. The contractors operating in the market
towns advance cash, and occasionally material, to people who make
baskets at a pre-fixed price. In the same village, itinerant trade on
bicycles, another major source of livelihood, is exposed to all the
risks of independent petty traders. Both these categories of workers
seek peak seasonal casual farm labour in the delta.

The labour process at the household level is naturally more
complicated as female and child labour are taken into account. Most
women who report non-farm labour at all in the study villages are
involved in a wide-range of household enterprises. Apart from working
as family labour in own eateries or operating sewing machines, several
women, especially those belonging to the upper castes are engaged in
new activities such as making fish nets and cigar-rolling, both of
which are part of extra-village putting-out networks. Contrary to
expectations, child labour is rampant and growing in the study villages
along with growing commercialisation. The brick-kilns of the delta and
sago factories of the uplands are run primarily on the basis of child
labour. Child labour is also employed in the tapioca fields and
orchards of the uplands. In both the villages labour attachment of
children as palikapus (cattle-attendants) is considerable; This occurs
when parents wish to raise or repay a loan from village landlords.
Thus non-farm employment in the region is subject to a variety of hire
and wage systems and includes female and child labour under vastly
differing conditions of work. Although a broad separation between the
farm sector and the non-farm sector is evident, this separation partly
reflects the restrictions on the mobility of labour between the two
sectors. Further, within each of the sectors, a variety of labour
processes are thriving.
In Chapter V, the role of the state in providing employment to rural labour and improving their living conditions is analysed. It is argued that the local political process ensured that certain welfare programmes were implemented vigorously so that concrete benefits really accrued to the target groups. The housing programme and the subsidised rice programme have been particularly successful while self-employment schemes under the Integrated Rural Development Programme have generally dovetailed well into the commercialisation process and have secured for the poor social and political strength, apart from ensuring economic benefits.

The emerging patterns of consumption and the formation of consumption classes are critical elements in ensuring that accumulation in the secondary sector, and especially in the services sector, proceeds unhindered. Some field observations on these aspects are collected in the Appendix. It is noted that the riches of the 'surplus' households are a major source of demand for luxuries and urban services. Monetization of farm wage has played a dynamic role in the growth of rural services sector. There is a penetration of a range of urban goods into the villages.

This study has sought to bring out the connection between the deepening of commercialisation and the changing life and work conditions of rural labour. It confirms the essential fact of diversification in the economy of East Godavari and in the activities and incomes of rural households, but points to a contradiction in the form of a growing complexity of household survival strategies. In particular, the observed growth in, and dependence on, household based sideline activities ('self-employment') cannot be sustained indefinitely in the absence of a coordinated control of (i) demand
conditions (ii) access to common property resources (iii) technological
upgradation and (iv) skill formation, all of which are threatened by
the growing hold of the rural oligarchy which today determines the
general character of labour process in the farm as well as non-farm
sectors. The immediate future is decided by whether the newly secured
economic and political votes of rural labour will prevail over the
power of the oligarchy. This, in turn, will shape the formation of
wage labour in East Godavari.