CHAPTER 8
SUMMARY AND CONCLUSIONS

8.0 INTRODUCTION

This chapter brings together the empirical discussion on the economic mobility of rural households during the colonial and post-colonial periods and attempts to relate it to the theoretical issues raised in Chapter 1. While the first section traces the nature of economic mobility and factors contributing to it during the colonial period, the second section brings out the contrasting points in the mobility of rural households in the two villages surveyed. Whereas the third section analyses the factors contributing to the stability of the small farms, the fourth section relates them to the theoretical issues discussed in Chapter 1.

8.1 ECONOMIC MOBILITY OF RURAL HOUSEHOLDS (1860 - 1950)

Around the time when Kurnool district was formed in 1858/59, its agrarian society was already stratified. The land revenue system in the first half of the nineteenth century, introduced by the colonial government, was not only oppressive but also resulted in the emergence of village elite groups who became much more powerful with the cultivation of partially or fully revenue free inam lands. These lands, which were the richest, most cultivable and best watered in the district, were controlled by the non-cultivating castes such as Brahmins and cultivating castes such as Reddys and Lingayats, whereas the other middle and lower middle castes (Yadavas/Kurubas and Telugus/Boyas respectively) were either
tenants on the inam lands or petty landowners. Besides, they had to hire themselves out to eke out subsistence. The untouchables (Malas and Madigas) were mainly agricultural labourers.

The period 1860 to 1875 witnessed a marginal agrarian expansion which was partly due to the increase in prices of agricultural commodities during the Civil War in the USA. However, the tax burden that prevailed was still high and this placed the Brahmins and Reddys in an advantageous position as they controlled most of the inam lands. With high tax burden and consequent squeeze of incomes, the small farmer-tenants found it difficult to cultivate cotton when high prices were ruling during the civil war period and hence, could not take advantage of the price boom of the 1860s. Added to that, the exorbitant land revenue rates (and payment in cash) compelled them into debt traps leading to dispossession of land. Thus, the cumulation of economic advantages and disadvantages led to a polarization of the peasantry during this period. The colonial government's land revenue policies also had contributed to this process. Although the availability of cultivable wastes and a temporary spurt in employment opportunities had a countervailing effect, polarization of peasantry seems to have been the predominant tendency. So, when the Great Famine struck the district in 1876, certain sections of the peasantry were already vulnerable.

The impact of the famine of 1876/78 was neither random nor even on various sections of the peasantry in the district. A failure of exchange entitlements during the period of famine resulted in a sharp increase in the mortality rate, which was,
however, uneven across the socio-economic, sex and age groups. The population loss was the highest among the depressed castes. Among the sexes, the males perished more as they out-migrated in search of employment and food. They also came into contact with epidemic diseases, widely prevalent at the relief camps. The mortality rate of females and older people, who were left behind in the protected environment of villages, rose at a slower rate. The mortality rate of children, especially of boys, was the highest in the district. Added to that, the birth rate, which declined during the famine period due to demographic, social, medical and sanitary reasons, had rapidly increased after the famine.

The lower birth rate, higher mortality rates of males and children, lower mortality rates of females and older people, and a faster increase in birth rate in the post-famine period brought about striking changes in the age and sex composition of the population in the district. Consequently, the dependency ratio (the number of dependents per male in the age group of 15-60) increased in 1880s and in 1890s. Added to that, a substantial loss of population in the age group of 15-60 resulted in widowhood for a large number of people. Thus, there was a change in the age and sex composition of families, especially of small peasants belonging to the depressed castes as they were the chief victims of the famine.

Such a change in the age and sex composition of the families of small peasants and also a disruption in their family life resulted in their slow recovery from the famine. Although many small peasants either sold or relinquished much of their cultivated
area during and after the famine period, they could not bring the cultivable wastes under the plough. Thus, the slow agrarian expansion in the district during the post-famine period is to be attributed not to the decline in population _per se_ but to changes in the age and sex composition of families of poor and small peasants, the disruption of their family life and the consequent general decline in the quality of their labour.

On the whole, the poor and small peasants experienced a downward economic mobility. The colonial policies of land revenue collections had also contributed to this process. The ability of rich peasants to cope up with the problems posed by the famine was distinctly better than that of the small peasants. Hence, the former benefited from the economic deterioration of the latter both during and after the famine. Their chances of upward mobility improved further as they participated in trading activities even during the famine period. The landlord class of Brahmins also experienced downward economic mobility as it was affected by the reduced supply of tenants and labourers. Added to that, the availability of cultivable wastes and reduction in the incidence of land revenue on government lands in the late 1880s and 1890s brought down the demand for inam lands; thus squeezing the rental incomes of the landlords. Thus, a polarization of the peasantry seems to be the predominant tendency during this period.

The above structural changes were thus brought about by the interaction between demographic and socio-economic factors. These changes took place in a manner that calls into question the orthodox Marxist as well as Chayanovian approaches, which
emphasise, in a deterministic fashion, one or the other set of factors.

In the first half of twentieth century, significant changes took place in the district. The area under non-food crops such as cotton and groundnut increased at the expense of that under inferior cereals. The relative prices played an important role in cropping pattern changes. The product market was further activated by the development of transport and export markets. The developed product market brought in dynamism into the credit and land markets. The rich peasants dominated the credit market and vigorously participated in the land market till the mid-1920s. In the context of an inadequate development of institutional credit facilities, the traditional moneylenders played an important role. However, unlike in other regions where professional moneylenders were predominant, the presence of rich cultivator/moneylender was pervasive all over the district and all through the period. The small cultivators borrowed consumption loans from the rich cultivators and eventually sold off their lands. The rich peasants acquired these lands for two reasons; First, they could raise cash crops whose cultivation was profitable during this period. Second, the alternative investment opportunities were not readily available. Thus, polarization of the peasantry proceeded along with commercialization of agriculture in the first two decades of twentieth century. The strong presence of rich peasants in the credit and land markets implied that they preferred to invest in these channels rather than enhancing agricultural production. In that case, the explanation offered for agricultural stagnation in
dry regions that the actual cultivators had no resources seems to be false, at least in this district.

The discussion on the Depression showed that neither lending money nor owning land was consistently a lucrative activity for the rich peasants. With a steep decline in prices, many peasants were hit hard and could not repay the debts. With the decline in land values, recovery of debts became difficult and required the intervention of the courts. These conditions, which lasted roughly for a decade, changed the investment habits of the rich peasants. The lower use of family labour also placed them in a disadvantageous position during the period of depression. Further, an abnormal increase in costs of cultivation during and after the World War II also severely affected the rich peasants who mainly depended on hired labour and a reversal to family labour was difficult given their size of land holdings. Consequently, these farmers found investment in off-farm activities to be more profitable as compared to that in credit and land markets, for the latter were becoming increasingly uncertain. So, the investible funds flowed rapidly into the agro-processing units not only in the district but also in the whole of the Presidency.

The landlord class of Brahmins also moved out of agriculture. But their out-migration could be traced to a much earlier period. Even before the World War I, they were out-migrating to seek greener pastures in the service sector and gradually alienating their lands. Although initially they remained as absentee landlords, eventually they sold off their lands after the World War II due to the impending land reforms. In fact, as studies in other
regions showed\textsuperscript{2}, such migration was an important mover in the land market. Thus, one must not treat agriculture as a closed sector for pulls from outside can significantly affect the pattern of ownership and distribution of resources.

The post-depression period also witnessed the strengthening of small and middle peasantry. The availability of cultivable wastes and other lands in the lease market ensured that operated area of small farmers was not very small in the district. The small peasants, who were relatively less affected during the period of Depression, emerged as a strong economically independent class due to favourable conditions in the land lease market and also by the introduction of groundnut which resulted in lessening of their dependence on moneylenders and in improving their bargaining position vis-a-vis traders in cash crop marketing. With the progressive withdrawal of rich peasants from the land market, the small peasants emerged as the principal beneficiaries in the land transfers which were triggered off by the War boom. Thus, the beginnings of stability/persistence of the small peasantry, which is noted by several empirical studies in post-independence India\textsuperscript{3}, could be traced to the Depression.

What seems to have emerged from the discussion on economic mobility of rural households in the district during the colonial period is that there was no linear process of polarization (in the narrow sense of a simple differentiation) leading to the progressive elimination of the small peasantry. Nor there was a progressive consolidation of small and middle peasantry. On the other hand, the polarization along with the commercialization of
agriculture as well as stability of small peasantry associated with intensive exploitation of family labour could be seen in the district. This implies that two opposite views on the future of the peasantry, viz., the differentiation of peasantry as expected by Lenin and stability of small peasantry as envisaged by Chayanov were seen to be relevant at specific points of time under the influence of conjunctural factors. Thus, the conjunctural factors analyzed in Chapters 2 to 4 point towards a complex pattern of mobility of the peasant households which cannot be entirely explained by either of the above theories. The message is clear and important; different patterns of mobility within the same peasantry are possible and they may be linked to certain time points in history. The theories, which also emerged at certain time points and under certain historical factors, should not be treated as timeless constructs.

8.2 ECONOMIC MOBILITY OF RURAL HOUSEHOLDS (1950 - 89)

The district witnessed significant changes in the product, land and labour markets in the post-independence period. However, these developments suggest contradictory tendencies. A decline in the inequality of operated holdings and a rapid rise in the number of marginal and small holdings suggest an absence of large-scale land transfers from the poor to the rich, stability of the small peasantry, and levelling tendencies. On the other hand, the intensification of commercialisation in agriculture, growth of area under high valued cash crops and growing incidence of agricultural labourers suggest polarizing tendencies.
These developments were, however, not uniform across the taluks. An uneven development of irrigation across the taluks resulted in uneven productivity of land. A better performance of the irrigated crops as compared to the dry crops suggests that irrigated taluks benefited from the spread of the new agricultural technology and that dry crops (and those who cultivated them) were neglected. This suggests a rapid rise in the income levels of people from the irrigated taluks. The growth of agricultural labourers was faster in the irrigated taluks as compared to the dry ones.

To gain deeper insight into impact of such uneven development across the taluks on economic mobility, data on land transfers from two infra-structurally different villages were collected. Kerevur is an irrigated village, while Mettur is a dry village. An analysis of economic mobility (by taking land as indicator of mobility) in these two villages provided insights into the nature of mobility and the factors contributing to it. Let us now collate and contrast such factors.

Let us first see whether such a comparison can be made — especially given that different size-classes of landholding are used for analysing mobility. In Kerevur the marginal farmer is taken as one who owns less than 2.5 acres of land, whereas in Mettur he is one who owns less than 5 acres of land. Similarly, the size class of a small farmer in Kerevur is between 2.5 to 10, while it is 5 to 20 acres in Mettur. In these cases, it is assumed that one acre of irrigated land is equivalent to two acres of dry land. This assumption is justified on the ground that the
Productivity of irrigated land is higher than that of dry land and irrigated land can be double cropped. The higher productivity of irrigated land gets reflected in land values across the villages. The value of one acre of irrigated land ranged between Rs 25,000 and Rs. 30,000, while the range in the dry village was between Rs 10,000 and Rs. 15,000 in 1989. However, the same assumption is not made in the case of upper size class of the middle farmers and rich farmers in Mettur. This is because active participation in a variety of non-farm activities and a dominating presence in land and labour markets by the richer sections in the dry village gives them as much of an edge over the other categories as is the case with the rich in the irrigated village.

Economic mobility in the two villages

In both the villages, the distribution of land ownership was skewed in 1989. The marginal and small farmers* constituted the bulk of the households in both the villages; but the proportion of land owned by them was small as compared to their share in total households. On the other hand, the rich and middle farmers though constituting a small proportion of the households controlled the bulk of the land. However, there were differences in the agrarian structure between the two villages. While landlessness was very high in Kerevur, it was somewhat less pronounced in Mettur. The concentration of land ownership was relatively high in Mettur, while it was somewhat less in Kerevur (Appendix 8.1).

*As noted earlier, the basis for the categorization of farmers is land owned.
In 1950 also, there were differences between the agrarian structures of the two villages. The landlessness as well as concentration in land ownership was higher in Kerevur. On the other hand, while land was concentrated in the middle and rich households, landlessness itself was low in Mettur (Appendix 8.1). Thus, inequalities were much more marked in Kerevur as compared to Mettur.

One would expect that this important difference in the agrarian structures between the villages at the beginning point of the analysis would have a significant bearing on economic mobility over a period of time. The relatively high incidence of landlessness and iniquitous land ownership in Kerevur implies an unfavourable land-man ratio leading to an intense competition in the land market around 1950s. This should have made it difficult for the poor farmers to have an upward economic mobility. In other words, other things remaining the same, an unfavourable land-man ratio in Kerevur should have either perpetuated the iniquitous land ownership or retained the same distribution. In contrast, a favourable land-man ratio in Mettur must have created opportunities for land acquisition by the small farmers and thereby an upward economic mobility. But the final outcome of an analysis of economic mobility during the period 1950-89 was one of levelling tendencies in both the villages.

Landlessness in Kerevur declined marginally, while that in Mettur increased marginally, albeit with fluctuations. A finding that is common to both the villages was a bulge in the proportion of marginal and small farmers and a rapid decline in the proportion
of rich and middle farmers. In terms of land transfers, the small and marginal farmers were the net gainers, while the rich and middle farmers were the net losers (Appendix 8.1).

There are, however, some differences between the two villages. Although the predominant tendency in both the villages was that of levelling, the levelling tendencies were much sharper in Kerevur than in Mettur. In other words, although the landownership in Kerevur was relatively more unequal in 1950, the decline in inequality was faster here as compared to Mettur.

One important factor which contributed to such difference was the infra-structural difference between the villages. Historically, paddy cultivation under the tank leading to better employment opportunities resulted in a low land-man ratio in Kerevur. This was an important factor contributing to the iniquitous land ownership in Kerevur around 1950s.

The infra-structural differences between the villages also led to differences in factors and mechanisms contributing to levelling tendencies. For instance, the tank irrigation in Kerevur attracted Brahmin servicemen settled in nearby urban localities to acquire lands under the tank. The relatively high productivity of tank irrigated lands sustained their interest in land during the first half of twentieth century, when Brahmin absentee landlords in other areas in the district and the state were alienating their land. This enabled the small farmers to lease in land. This together with favourable tenurial conditions helped some small farmers, first, to stabilise and, later, to acquire lands from the
Brahmin landlords when the latter were disposing off their lands due to fear of tenancy reforms in the mid-1950s. In contrast, low productivity of land in Mettur could not induce the landlords to retain the landed interests in the village. Consequently, the lease market in this village was not only ill developed but also did not generate any levelling tendencies.

Similarly, the provision of irrigational facilities to a significant proportion of land from 1956 onwards had enhanced cropping intensity and, thereby, improved employment opportunities. This helped many small farmers to have improved employment opportunities and higher wages. These factors together with lease market had helped them to realise surplus and experience upward economic mobility. An upward economic mobility took place in spite of the fact that improved employment opportunities led to immigration of labourers on a large scale and to a worsening landman ratio. In contrast, weather induced fluctuations in cotton area and production curtailed the employment opportunities in Mettur and led to permanent out-migration of the poor farmers. Indeed, such migration, by leading to a statistical decline in the inequality, was mainly responsible for the generation of levelling tendencies. However, the job opportunities in Mettur had improved later on.

While it is true that improved job opportunities led to levelling tendencies in both the villages, the mechanism through which such tendencies took place were not the same. The job opportunities in Kerevur were qualitatively better in the sense that employment was available largely within the village for a
longer period of time. This played an important role in reducing inequalities in land ownership. On the other hand, the employment in Mettur had improved largely due to seasonal out-migration and some intensification of agriculture. Since seasonal out-migration was largely subsistence oriented, this might not have had a positive impact on the incomes of the poor farmers.

Irrigation-led improvement in productivity of land and, thereby, prosperity to the small farmers played a crucial role in reducing inequalities in land ownership in Kerevur. With assured income from owned as well as leased-in land, the small farmers in Kerevur could not only tackle the adverse market factors but also realise surplus to be reinvested in land acquisition. In contrast, the low and uncertain rainfall leading to constant fluctuation in farm income made it difficult for the small farmers in Mettur to realise surplus. The droughts and fire accidents in Mettur also affected their surplus adversely thus making it difficult for the small farmers to acquire land.

It must be noted that stability of the small peasantry in both the villages was somewhat caste-specific. Due to imperfections in the lease market, the Malas and Madigas in Kerevur could not lease in as much land as Boyas, Telugus and Kurubas did. Similarly, the depressed castes in Mettur were discriminated in the credit and land markets. Hence, an upward economic mobility of small farmers in both the villages was not a general phenomenon.

Although the Ceiling Legislation generated levelling tendencies in both the villages, the mechanism was again different.
A better implementation of ceiling Act in Kerevur resulted in acquisition of land from the rich and redistribution of land to the poor. This led to a decline in the concentration of land ownership as well as landlessness. In contrast, due to a dismal implementation of the legislation in Mettur, surplus land was neither acquired from the rich nor was it redistributed to the poor. This was an important reason why there was no sharp decline in the concentration of land ownership and landlessness in Mettur. Nevertheless, the Legislation made land acquisition unattractive for the rich and, subsequently, resulted in their withdrawal from the land market. This had facilitated land transfers to the small farmers and thereby to levelling tendencies.

As noted earlier, the Ceiling Act also led to higher rates of partitioning among the rich. However, the increase in the rates of partitioning was sharp in Kerevur probably due to better implementation of the ceiling legislation. This led to levelling tendencies. On the other hand, because the rich in Mettur could manage to avoid the surrender of land to the government, the rates of partitioning among them were not quite high. This could be one of the reasons for not so sharp reduction in inequalities in Mettur.

The infra-structural differences leading to differences in land-man ratio also had implications for labour strength and economic mobility. While it is true that the households with favourable labour strength showed more interest in acquiring land or leasing-in land in both the villages, the relationship between labour strength and owned/operated land was relatively weak in
Kerevur because of worsening land-man ratio leading to competitive land market and imperfections in the lease market working against the depressed castes.

Thus, growth and related factors seem to have led to a sharp decline in inequalities in land ownership. Parthasarathy has (1992) also concluded that a rapid growth in the state in 1970s led to a declining trend in poverty levels, which continued in 1980s due to the state intervention for the poor. However, it must be noted that since land is an indicator of mobility, diversion of surplus into non-land activities could not be incorporated into our analysis. For instance, the Ceiling Legislation changed the investment habits of the rich in both the villages. The rich are now showing keen interest to invest in non-agricultural activities. Several rich farmers in these villages purchased lorries and tractors (with an intention of hiring them out for transport), bought house sites in the nearby towns, set up agro-processing industries and so on. These phenomena call for a more comprehensive indicator.

Thus, although levelling tendencies took place in both the villages during the period 1950-89 and the contributing factors were more or less the same, the mechanisms through which such tendencies took place were different. This is an important analytical insight obtained from the present study at the micro level.
8.3 STABILITY OF SMALL PEASANTRY

The question of stability of the small peasantry is important in the context of the levelling tendencies that were observed in both the villages. These tendencies contributed to rapid growth of small and marginal farmers and a decline in the proportions of rich, middle and landless households. A rapid growth of small and marginal farmers was not entirely due to demographic differentiation of middle or rich farmers. It was due to the relative stability of these two groups. Appendix 8.2 shows that the small farmers in general experienced greater stability in the post-independence period. Krishnaji (1990; 1042) observed that "small peasants have been able to hold on to their landholding during the last two or three decades" This can be attributed to the following factors.

First, studies on commercialization of agriculture in various parts of India untiringly mention how the development of product, credit, land and labour markets was uneven and how such uneven development of the markets led to a slow pace of capital penetration in India (Bharadwaj, 1985). Though there is disagreement over the issue whether or not uneven development of markets would hinder the capital penetration in agriculture, there is little dispute on the inter-locking of markets and its consequent check on large scale land transfers from the poor to rich (Baradhan and Ashok Rudra, 1980).

Higher productivity

A higher productivity on the small holdings enabled the small farmers to survive even under the conditions of market penetration.
Lenin (1972), while acknowledging the possibility of such survival, argued that it was not due to their technical superiority, but due to the reduction in the level of their consumption requirements below that of wage workers and tax their energies for more than the latter do\(^4\). The debate on size-productivity in India shows how the small farmers achieved higher productivity through a higher degree of self-exploitation (Krishna Bharadwaj, 1974) or through, what Lenin calls, 'tightening of their belt'. Appendix 8.3 on farm-wise productivity of important crops in the two villages shows that the pattern is mixed. In case of paddy, groundnut and cotton, the marginal and small farmers in Kerevur have achieved higher productivity than the middle and rich farmers. The same does not hold good in the case of jowar and korra and also in Mettur, probably because the production conditions of these crops vary across the farm categories in the village\(^5\). Hence, the question whether small farmers are able to achieve higher productivity cannot be satisfactorily answered with our primary data.

**Participation in cash crop cultivation**

The ability of the small farmers to survive is in part derived from their participation in markets as sellers of produce. The small holdings are increasingly drawn into the process of commercialization. However, unlike the colonial period\(^6\), this need not necessarily be due to the forced commerce. As Krishnaji (1984; 47) has argued "this could be a market participation where high valued crops are sold and coarse grains are bought for consumption".
This is evident from Appendix 8.4 on cropping pattern in the two villages. The marginal farmers and landless households in Kerevur allocate all their area to commercial crops such as paddy, groundnut and sunflower. In the case of small farmers, the proportion of area allocated for commercial crops is as much as 88 per cent. The small farmers in Mettur also showed a preference for cash crop cultivation (Appendix 8.5).

The smaller farmers adopted cash crop cultivation not only as a survival strategy under which high valued crops can be sold and foodgrains bought from the market, but also because there is no compelling reason for them to grow food crops. From about 1983, food grains provision at subsidised prices through the Public Distribution System (PDS) has undergone a phenomenal change in Andhra Pradesh with the introduction of "Two Rupees a Kilo Rice Scheme". The subsidy component on this programme sharply increased from Rs 78.69 crores in 1983/84 to Rs 368.54 crores in 1990/91 (Parthasarathy, 1992; 46-A). The leakages such as non-utilisation or partial utilisation of benefits and usurpation of benefits by the non-target groups were reported.

Notwithstanding these leakages, "the benefits to the rural poor from 2 rupees a kg scheme are significant. Though a large proportion of non-poor are included, only a small percentage of poor even in rural areas are outside the purview of the green card system" (emphasis added) (Parthasarathy, 1992; 43). This is also supported by an empirical study (Sastry et al, 1990) in Rayalaseema region, which showed that about 78 per cent of the poor were subsidy rice users. With regular supply of food grains at
subsidised rates, the small farmers find it unnecessary to allocate larger proportion of area for food crops.

State intervention

Another important factor that enabled the small farmers to achieve stability was state intervention. Krishnaji (1990; 1038) observed: "From about the mid-sixties, the state has promoted a massive technological transformation: not only through direct public investment, but also through the provision of cheap credit and inputs and by buttressing agricultural prices through support operations. It is true that the benefits have accrued disproportionately to the surplus regions and to the large surplus producers everywhere. Nevertheless, support to agriculture in general — and this is a commitment that pervades Indian politics irrespective of political colour — must surely have provided some measure of protection to the small farming sector against the land-accumulating propensities of the rural rich".

We have already noted how land reforms (ceiling legislation) helped the landless and the marginal farmers to obtain land under the Land Redistribution Programme and how small farmers benefited from the indirect land transfers and the withdrawal of the rich from the land market. Similarly, subsidised foodgrains provision helped them to allocate higher proportion of the area for cash crop production.

In addition, state intervention in the provision of basic amenities (such as housing), credit for asset formation and income generation played an important role in enabling the small farmers
to stay and survive within agriculture. About one-third of the total households in Kerevur and 40.91 per cent of the households in Mettur benefited from the governmental assistance (Appendix 8.6). A majority of the households were benefited by the Janatha housing scheme, allied agricultural activities (dairying) and land augmenting activities (well construction). Interestingly, besides the landless who benefited mainly from the housing scheme, it was the small and marginal farmers who benefited the most from all these programmes. It is true that there were several leakages in these programmes. Instances of wrong beneficiary selection, appropriation of subsidy component by rent-seeking middlemen, enormous delays in the provision of credit were narrated to us in several households. But these programmes not only compelled the poor farmers to stay back in the rural areas but also provided supplementary income. For instance, a pucca house owned by the poor would reduce the temptation of permanent out-migration, in the event of things going wrong in the village. Similarly, the anti-poverty programmes would have improved income levels of the beneficiaries although they might not have enabled them to cross the poverty line (Parthasarathy, 1992; 49).

Compulsions to remain in agriculture

There are compulsions which make small farmers to cling on to their tiny holdings. It is important to note that in the 'classical model' of development of capitalism in agriculture, the dispossessed peasants find employment either in agriculture or industry. Such a phenomenon was facilitated by the development of industry (Lenin, 1972; 581-86). But the conditions in India are different. The development of industries was particularly slow and
a sectoral shift in product distribution was not accompanied by a corresponding shift in the occupational distribution. Even today, a large proportion of the population depends on agriculture\textsuperscript{13}. The employment in the rural non-agricultural sector has also not grown to the extent capable of affording a 'stabilizing' influence, although the growth of this sector in recent years has been seen as a 'distress diversification', absorbing the growing casual labour population\textsuperscript{14} (Vaidyanathan, 1986).

The opportunities of out-migration to work in industrial sector or in non-farm activities do not seem to be existing for the households in these villages. The households adopted out-migration as one of the important strategies immediately after independence. As Appendix 8.7 reveals the proportion of landless households which resorted to out-migration had declined in both the villages (except during the period 1981-89 in Kerevur). In Mettur, it was mainly the landless households who used to migrate out of the village in the first two periods. On the other hand, in the last sub-period, none of the landless household migrated out of the village. In recent years, permanent out-migration is restricted mainly to those households which obtained jobs in the service sector or those who wanted to set up business establishments in nearby urban localities. In contrast, the landless resort to seasonal out-migration on a large scale.

To our question "why did you not migrate to work in the urban industrial sector", many in the poor households recalled their migration to cities as far off as Bombay and their harsh experiences over there. Their decision on out-migration seems to
be influenced by factors such as availability of accommodation, problems in migrating out with the entire family and so on. Nowadays, the poor give less preference to permanent out-migration in general; they would not undertake migration to metropolitan cities unless other options are completely closed.

Unable to migrate to urban areas to work in the industrial sector, "the petty owners would continue to hold on to their small parcels of land even when their net income accruing from land is meagre: for the alternative they face in the event of loss of land is the precarious state of being landless labourers or helpless tenants. This state of affairs, while perpetuating the self exploitation of family labour on small farms, also inhibits tendencies towards a concentration of landed property on the one hand and the emergence of capitalist wage labour on the other" (Bharadwaj, 1985; 371). In this context, it would be useful to recall that in these villages landed households are preferred as tenants. Similarly, the agricultural labourers with farming equipment or bullocks & cart are preferred compared to those without such equipment. This suggests that the small farmers, in order to have better tenurial conditions and assured wage work, would like to cling on to productive assets however small and unproductive they may be.

**Stability or pauperization?**

The absence of large scale transfers of land from the poor to the rich and the associated characteristics of survival of small peasant households cannot be interpreted as an unchanging stability of the small peasant households (Reddy, 1988; 62-63). These
indications confirm the hypothesis of pauperization of the small peasantry. This hypothesis suggests that first, in the absence of alternative sources of income small and poor peasant households cling on to their land through the survival strategies described above. Second, with the rapid fragmentation of small holdings and lack of sufficient increase in their productivity, the small peasant is forced to hire himself out for subsistence. Hence, what we now have is a petty land holder who is more dependent on agricultural wage income rather than income from cultivation (Vaidyanathan, 1983; 5).

This seems to hold good in both the villages. An occupational distribution of households by farm categories (Appendices 8.8 and 8.9) reveals the following. First, the household members (both males and females) from a majority of the small and marginal farmers depend on wage work, petty-business and allied agricultural activities for sustenance. Second, the women from the small and marginal farmer categories depend more on wage work than men-folk. Third, the occupational diversification is much more perceptible in the dry village than in the irrigated village. Lastly, the males from the middle and rich farmer categories are completely engaged in cultivation or business. It is to be noted that the business pursued by the rich or middle farmers is qualitatively different from that of the poor farmers.

Although small farmers have experienced greater stability during the post-independence period due to high productivity, increasing participation in cash crop cultivation and state intervention, this cannot be interpreted as unchanging stability.
"When the small farmer families grow in size and the resource base does not expand, the wage work is the only option left" (Krishnaji, 1990; 1042). Thus, it appears that, the small farmers, unable to obtain sufficient income from the tiny holdings that they own, not only adopt a variety of strategies discussed above but also depend on various non-farm activities and wage work. These confirm the hypothesis of pauperization. Thus, pauperization without polarization seems to be taking place in the district. If that is the case, policy interventions should be more directed towards the non-farm activities in rural areas which have potentiality of improving the incomes of the poor.

8.4 DETERMINANTS OF ECONOMIC MOBILITY

The factors determining economic mobility during the period 1950-89 are varied. It is rather difficult to ascertain the precise impact of all these factors because of their simultaneous occurrence and differential impact. An attempt is, however, made to discern the impact of these factors on Economic Mobility in the ensuing paragraphs.

Cumulation of economic advantages and disadvantages

Cumulation of economic advantages and disadvantages, on the whole, led to polarising tendencies. But the factors contributing to these tendencies were different between the villages and over time. But, in general, these were related to growth or lack of it, commercialization of agriculture and the market imperfection. For instance, the dry agriculture in Kerevur (till 1956) and Mettur all through the period coupled with inadequate credit and marketing facilities resulted in cumulation of economic advantages for the
rich and disadvantages for the poor. Similarly, the introduction of canal irrigation without concomitant support in marketing, credit and extension facilities resulted in polarising tendencies. Thus, factors leading to cumulation of economic advantages and disadvantages were different but such cumulation always resulted in polarising tendencies.

Land Reforms

Two phases of land reforms were most relevant to the villages; Tenancy Legislation of 1956 and Ceiling Legislation of 1961 (later amended in the 1970s). The land lease market was active in Kerevur, while it was ill developed in Mettur. The tenancy reforms resulted in eviction of tenants on a large scale and alienation of land from the absentee Brahmin landlords to the resident middle and rich farmers. Consequently, these led to polarising tendencies. On the other hand, the Ceiling Legislation generated polarising tendencies. The legislation was fairly effectively implemented in Kerevur. Notwithstanding manipulations, significant extent of land was surrendered by the rich farmers and a large number of poor had benefited by the Land Redistribution Programme. Consequently, there was a decline in the concentration of land ownership. Even though the implementation of the Ceiling Legislation was dismal in Mettur, it resulted in levelling tendencies. The rich almost completely withdrew from the land market and had engineered indirect land transfers in favour of the small and middle farmers. This led to a decline in the concentration of the land ownership. Thus, notwithstanding variations in the implementation, the ceiling Legislation had contributed to levelling tendencies.
Substantive changes

Of the sub-processes of substantive changes, partitioning contributed to significant mobility. However the nature of mobility varied across the periods. It must be noted that the rates of partitioning cannot be related to wealth of households. The relationship varies with the time and regional specificities. Second, the rates of partitioning also depended on the other determinants of economic mobility. For instance, the ceiling legislation resulted in higher rates of partitioning among the rich in both the villages. It is to be noted that partitioning takes place after a prolonged struggle between the head of the household, who wants to retain economic power, and younger members, who would like to have economic freedom. Despite the advantages of an extended family, sporadic conflicts for partitioning are very common among the rich in rural areas. When the rich were compelled to surrender excess land, the young members had intensified their claim. In such cases, the argument of the head of the household in terms of scale advantages of a joint family becomes weak. Thus, ceiling legislation hastened the process of partitioning among the rich and middle farmers. Thus, the incidence of partitioning was related not only to general economic mobility of the households but also to the expectation of upward mobility.

Partitioning need not necessarily be dysfunctional to economic growth. A majority of the households in both the villages, which partitioned their property during the period 1950-89, experienced upward economic mobility by 1989. And this is true
for all land size categories. These factors suggest that partitioning can lead to both polarizing and levelling tendencies.

The sub-processes of out-migration and extinction were related mainly to the poorer farmers. The general decline in the economic conditions pushed the petty-land owners and landless labourers out of the villages. This resulted in the levelling tendencies. On the other hand, the out-migration of Brahmin absentee landlords resulted in both polarisation and levelling. While their out-migration during the pre-independence period led to active lease market and thereby to stability of the small peasantry, during the post-independence period it led to polarization. The sub-process of extinction was predominant among the poor and, consequently, led to the levelling tendencies. On the other hand, merger was reported by only one rich farmer family and the impact of this factor, therefore, cannot be ascertained.

Biological Life Cycle

Chayanov argued that a favourable size and composition of family would result in upward economic mobility. The households with increasing consumers/workers ratio would feel the need and would also be in an advantageous position to enlarge their operated holding either by buying or leasing in land. If these two options are not available, they would participate in non-agricultural activities.

Since the family life cycle could not be reconstructed at several points of time, labour strengths are used as a proxy of
family life cycle. Although the households having favourable labour strength showed interest in the acquisition of land, the relationship between labour strength and owned land is found to be weak especially in Kerevur. This could be partly due to the shortcoming of labour strength as a proxy of family life cycle. The instances of upward mobility due to the contribution of young girls in Kerevur, who later on married and left the household could not be incorporated into the labour strength. Secondly, the acquisition of land by the households with favourable labour strength happened during a period when the employment opportunities were good and land market was not as competitive as it is today. Chayanov's model predicts that in the event of competitive land market, the households would get access to land through lease market.

The households with larger labour strength are more inclined to leasing in land as compared to those weak in labour strength. As a result, the relationship between labour strength and operated area became strong in both the villages. However, notable exceptions were the categories of landless and rich households. Although the labour strength in some of the landless households was high, they could not get access to the additional land through lease market. A household's access to additional land through lease market is constrained by factors such as caste, land owned and political alignments. In general, the landlords prefer the small farmers with farm implements and farming experience as tenants so that the latter's dependence on the former will be relatively low. Second, the absentee Brahmin landlords prefer the Boya and Telugu tenants because they are politically aligned to the
Karnam of village, who is a Brahmin. Hence the small farmers belonging to Boya and Telugu castes are preferred as far as leasing out land by landlords is concerned. Consequently, several landless households and marginal farmers with large labour strength belonging to Mala and Madiga castes find it difficult to lease in land.

Thus, although Chayanov's model is helpful in predicting which groups are favourably inclined to expand land holding through land and lease markets, the positive relationship between labour strength and owned (and also operated) holding is weak due to declining land-man ratio and consequent growing competition in the land market. This suggests that the landless households with higher labour strength are unable to enlarge their holdings through market or through ill-developed lease market. Hence, these households depend on non-farm activities or on wage labour.

Random Factors

In Shanin's model, the term 'random factors' covers factors such as nature, market and the state. It has been argued that nature in the form of good and bad agricultural years and accidents may affect mobility. Market factors such as the terms of trade between agriculture and industry, availability of credit and state policies regarding agriculture, prices and other programmes may also have bearing on mobility. The combined impact of these factors would be multi-directional and they would lead to either polarising or levelling tendencies.
The empirical results raise two issues on Random Factors. First, it is not clear why these are termed as random factors. The impact of these factors would depend on structure of the agrarian society. As Chapter 3 showed, the impact of the famine of 1876-78 was neither random nor felt evenly by various sections of the peasantry. Same was true, when Mettur faced problem arising out of decline in cotton area due to weather induced instability in the yields, droughts and fire accidents. In all these cases, the poor were the worst affected for reasons determined by the agrarian structure.

Similarly, the problems relating to the market and the state seem to be affecting the poor farmers adversely. The fluctuations in the prices affect all the categories of farmers—but impact on the poor was adverse. The rich farmers were not seriously affected by the lack of availability of credit because they were the principal suppliers of credit in rural areas. One can give several examples: but the point to be noted is that the rich with better resource base and a dominance in the land, credit and labour markets can tackle the adverse impact of the 'random factors' more easily than the poor. This suggests that these factors are not 'random'.

Second, the impact of 'random factors' seem to be multi-directional. The nature (especially famines) during the colonial period created polarising tendencies. But, the latter famines and droughts in the district did not leave as adverse an impact on the poor as the 1876-78 famine did. This was mainly due to the state intervention. Ever since the effective implementation of the
Famine Code, the State exhibited lot more responsibility during the famine periods. This had reduced the adverse impact of the famines and droughts.

Similarly, the precise impact of various state policies depended on their targeting, implementation and a host of other factors. While terms of trade and inability of the state to collect agricultural income tax had benefited the rich, the policies such as cheap credit to the weaker sections, anti-poverty programmes and provision of subsidised foodgrains had benefited the poor.

Based on the findings of the present study, the model with which the analysis began has been further modified.

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Thus, there was no linear process of polarization; nor was there a progressive consolidation of the small peasantry. There were polarising tendencies at several points of time due to cumulation of economic advantages and disadvantages and random factors. The levelling tendencies (which were more prominent
during the post-independence period) were generated by the
government intervention in the form of land reforms and anti-
poverty programmes, agricultural growth leading to high
productivity and improved employment opportunities, and substantive
changes of partitioning, out-migration and extinction. Thus an analysis of economic mobility of
rural households in Kurnool district during the colonial and post-
colonial periods revealed complex patterns which cannot be
satisfactorily explained by either the Marxist theory of class
polarization or the Chayanovian theory of stability of small
peasantry. Different patterns of mobility within the same
peasantry are possible and they are linked to certain historical
and regional specificities.

Another finding is that the small farmers were far more
stable than the rich and middle farmers. The small farmers
survived not only because of higher productivity achieved through
self-exploitation but also because of increasing participation in
cash crop cultivation and also as beneficiaries of the state
intervention. In addition, lack of sufficient diversification into
rural non-farm activities and an absence of employment
opportunities in the urban industrial sector compelled the small
farmers to cling on to their tiny holdings. However, these small
holdings do not seem to be viable and a bulk of the small farmers
depend on wage labour for their sustenance. These indications
suggest pauperization. Thus, pauperization without polarization
seems to be the prominent tendency in rural areas.
Notes and References

1. For a discussion on the movement of agrarian surplus into non-agricultural activities in the Madras Presidency (Baker, 1976; 169-200).

2. For a discussion on changes in the land ownership resulting from the migration of Brahmins and consequent alienation of their lands see Bhalla (1977). The resurveys conducted by Madras Institute of Development Studies (MIDS) also noted this phenomenon. In Dusi and Gangaikondan, the out-migration of Brahmins, who were the erstwhile land owning community, resulted in land transfers in favour of resident dominant land-owning communities. See Guhan and Bharathan (1984) and Athreya (1985); In Iruvelpattu also, the resident dominant cultivators acquired lands "from the Brahmin landlords who gradually emigrated from the village" (Guhan and Mencher, 1982).

3. The "Small farmer" factor is receiving much attention in recent years. Various scholars acknowledged the persistence of small peasants and sought to explain this phenomenon in terms of pauperization of peasantry. See Krishnaji (1984) and also Bharadwaj (1985). A micro level study on land transfers and distribution of land ownership in an Andhra village also revealed the stability of small peasantry in the post-independence period (Rajasekhar, 1988). Bhaduri et al (1987) found the persistence of small peasants in Bangladesh.

4. In the models of Lenin and Kautsky, there is sufficient warning that the persistence of small farmers is one of the factors which would inhibit the capital penetration in agriculture. Similarly, Chayanov's model is completely on the stability of small peasantry. It should be noted that, however, the factors working for such stability differ from model to model. This is the central theme of Banaji (1976).

5. While some farmers in Kerevur cultivate jowar and korra as irrigated crops, others grow them as pure dry crops. On the other hand, the richer sections in Mettur seem to have higher productivity, probably because of predominance of well irrigation on these farms.

6. It must, however, be noted that commercialisation process during the colonial period was not forced in the case of all regions and all crops.
7. In Kerevur, paddy is a dominant commercial crop; a large proportion of paddy produced is sold in the market.

8. It was found out that out of 1.36 lakh cards verified, about 1522 cards were not with the owners, but were with fair price shops or with somebody else. In 356 cases, the cards were pledged and 6237 card holders did not lift the quota. Of the remaining, 9115 card holders lifted their stocks partly and 81468 card holders (59.8 per cent) had drawn their rice from the fair shop in full. Cited in Parthasarathy (1992; 42-3).

9. A survey found that the leakage of benefits to the non-target groups in terms of households worked out to be 24 per cent, and in terms of quantity, 21 per cent in Rayalaseema region (Sastry, Hanumantha Rao and Narasinga Rao, 1990).

10. This programme received top attention from the state government. "During the Seventh Plan period, about 37 per cent of total outlay of Rs. 577 crores on rural housing in all-India was in Andhra Pradesh. Around 14 per cent of the rural labour households and 20 per cent of the SC households were provided pucca housing by 1988. This was no mean achievement" (Parthasarathy, 1992; 35).

11. In Andhra Pradesh, around 2.5 million rural families, or 60 per cent of the rural poor were covered under IRDP between 1980-89. Funds utilised per beneficiary family, both subsidy and credit together were of the order of Rs 4000 (Parthasarathy, 1992; 27).

12. For a discussion of leakages in these programmes, see Parthasarathy (1992).

13. For a discussion on structural changes in India, see Vyasulu (1990) and Rajasekhar (1992; 3-11).

14. This hypothesis has been tested by Dev (1990) and Unni (1991). The latter did not find conclusive evidence to this hypothesis. For a review of these studies, see Rajasekhar (1992).

15. This hypothesis has not been properly formulated anywhere, as far as I know, except in Reddy (1988). But the elements can be found in Krishnaji (1984) and Krishna Bharadwaj (1985).