INTRODUCTION

India, the homeland of 547,367,926 people, has a landmass of 32.80 million square kilometers. Known as a subcontinent, she is not only a populous and vast State, but at the same time, a predominantly rural country. The bulk of her population are living in her 575,721 villages. The total rural population of India, according to official estimate, is 438,580,844, of which 108,787,082 live in urban areas. The percentage of urban population to total population, thus, comes to 19.87% only, clearly demonstrating the rural orientation of the Indian society.

The rural character of India is also evident from the fact that agriculture has been her principal industry from the hoary past. In fact, agriculture and its allied activities account for nearly one-half of the country's national income even today. It also provides raw materials for some of the major industries.

---

3 Ibid., p.3.
4 Census of India, 1971 - op.cit., p.49.
such as, jute, textiles, cotton and sugar, etc. It continues to be the largest absorber of labour force of the country. According to 1971 Census, cultivators including the agricultural labourers, constitute 68.63% of the total work force of the country. In a way, agriculture in India is more "a way of life than a mode of business". The life-force of India lies in her villages.

Though India is fundamentally rural and agriculture is the only occupation of the great majority of her people, one of the most perplexing phenomena, particularly to a foreign visitor, is the agonising nature of her rural poverty. Countless number of rural folk still live, in this country, from hand to mouth and are driven by some or other urgent needs of their day-to-day life to the Shylock's Counter, i.e. to the village Mahajan or money-lender for loan. By the term Mahajan or the money-lender is meant a person, whether cultivator or not —, who earns a part of his income by lending. The cultivators obtain loan from a mahajan at a high rate of interest by mortgaging their land and property, and often lose these due to default. The monster of indebtedness has sapped the vitals of the Indian peasantry and made them extremely wretched.

The term 'debt' implies a sum of money due by one person to another. A debt may be defined as "Whatever is owed to one person or organisation by another. The obligation may involve money, goods, or services." A debt denotes a loan arising out of

of contract, express or implied. In the strict sense of the word, a debt "exists when a certain sum of money is owing from one person (the debtor) to another (the creditor)." Every loan is a debt and when the borrower does not or is unable to repay the loan and goes on accumulating it, he becomes indebted.

The most important single factor that plagues the lives of the masses in rural India is their indebtedness. Indebtedness often ruins the peasantry. They are "born in debt, live in debt and die in debt." Rural life is full of agony. Indebtedness intensified this agony. The helpless dependence of the rural masses upon the village money-lenders and the usurious rates of interest charged by them are the dynamites cracking the very foundations of the rural society. The All-India Rural Credit Survey (1961-52) and All-India Rural Debt and Investment Survey (1961-62), undertaken by the Reserve Bank of India, have given useful information about rural indebtedness. The proportion of cultivators, at the all-India level, reporting indebtedness stands at 69.2%, according to All-India Rural Credit Survey. All-India Rural Debt and Investment Survey reports that the proportion of indebted cultivators is 66.7%. The A.I.R.D.I.S.

10 Report of the All-India Rural Credit Review Committee, Reserve Bank of India, Bombay, December, 1969, p.53.
11 Ibid., p.53
(1961-62) points out that in terms of Rupees, the debt per indebted cultivator is Rs.708/-.

The huge volume of indebtedness is a disturbing feature of the Indian rural society and "the dominant feature of the problem of rural indebtedness in India arises from the activities of the money-lenders who earn mainly by capitalizing on the perpetual poverty of the peasants". Poverty is the prime factor behind indebtedness of the cultivating class. The agriculturists have to incur debt because they are poor and they remain poor because they borrow, for a part of their earnings goes into the pockets of the money-lenders in the form of repayment of principal with interest, leaving very little even to meet their bare needs. Thus rural indebtedness and rural poverty form a vicious circle as one leads to the other 'ad infinitum'. These are the bane of rural India, eating into the vitals of the people and affecting their socio-economic life.

12 Ibid., p.53.
The tremendous influence which indebtedness exerts in shaping the contour of our rural society, especially its effect on the peasant life, has induced the author to undertake the present study. This area of research has remained until now relatively neglected and unexplored, though it is of crucial importance to the social and economic life of the village people, particularly in India, which is mostly an agricultural country. It is true that, from time to time, some of the Sociologists have studied the Indian villages with growing awareness of rural dimension of India. But none of them so far has studied in depth the problems connected with rural indebtedness or could evolve or suggest any effective measures to tackle them. Some Government reports on rural indebtedness have also been published. But these have paid scant attention to the sociological aspects. The Rural Credit Survey (1951) undertaken by the Reserve Bank of India has covered seventy-five districts in different States of India, of which only four districts—Midnapore, Burdwan, Malda and Jalpaiguri—have been taken from West Bengal. The district of 24-Parganas, both industrially and agriculturally developed, was left aside in this survey. The present author has taken up the study of sociological import of rural indebtedness in the district of 24-Parganas, as he happens to be a resident of this district for long and knows the agrarian society intimately. Even then he had to put in hard labour of roughly 4 years 8 months, to give this Thesis Paper a practical shape.
The study was undertaken in November, 1971, and completed in July, 1976. The entire research project can be broadly divided into three phases.

The first phase was primarily exploratory in nature and lasted for about one year. During this period, the author got the necessary instructions from his respected guide on research methods and tools for field application. Simultaneously, he also equipped himself with the necessary theoretical background of the problem from various authoritative books and published records.

The second phase started from December, 1972, and lasted for a year. During this period, the author was deeply concerned, in consultation with his guide, with the selection of suitable villages for the field survey. The task was by no means an easy one, for the district of 24-Parganas, one of the 16 districts of West Bengal, consists of 3,812 inhabited villages, and, at the same time, it is one of the largest districts of West Bengal. It is also the most industrially advanced district of West Bengal, but its southern part is most undeveloped and mostly inhabited by backward classes. The district, thus, combines in itself two extreme economic situations— prosperity and poverty. It is, therefore, the most representative district of West Bengal for a comparative study of agrarian problems and indebtedness.

After careful thoughts, and in consultation with his guide, the author finally selected five villages of this district for his field study. These are—(1) Baneswarpur under Bagda Police Station, (2) Bargachhia of Amdanga Police Station,
(3) Harinavi of Sonarpur Police Station, (4) Badebarasi under Mathurapur Police Station, and (5) Uttar (North)-Jyotishpur of Basanti Police Station near Sundarban area.

The third and last phase of the study began in January, 1973, with the collection of data and other relevant materials in the five selected villages, which constitute the basis of the analysis and conclusion of the subject matter. It took about two years and six months to complete data collection. The compilation of this Thesis started from July, 1975.

The villages were selected mainly on the following grounds:

The five villages, taken together, constituted a fairly representative character of the district of 24 Parganas, for Uttar-Jyotishpur and Badebarasi are located in the southern part of the district and inhabited by people mostly belonging to the Scheduled Castes and Scheduled Tribes and totally lack modern means of communication. Harinavi is very near to the Metropolitan City of Calcutta enjoying the impact and benefit of industrialisation, and has a Co-operative Society and a Nationalised Commercial Bank. The cultivators here are gradually trying to employ modern inputs and improved techniques of cultivation. The village has modern communication. The village Bargachhia, though situated very close to Calcutta, is, however, deprived of the facilities of modern means of communication. It is a typical traditional West Bengal village predominantly inhabited by Muslim cultivators, the number of Hindu cultivator families being only six, out of the total 201 families living in this village. The
last village, Baneswarpur, situated in the extreme Northern part of the district is distinctive for its proximity of Bangladesh border. It is a multi-caste and multi-community village. The great majority of its inhabitants today are refugees from former East Pakistan.

Considerations of board and lodging and the possibility of getting necessary co-operation were two other factors which prompted this author to select these villages, since he had sources at these places to get such help.

But even so, the actual fieldwork entailed a good deal of hardship. Sometimes the author had to walk barefooted kilometers after kilometers. To reach Uttar-Jyotishpur village, one of the field areas, every time the author had to walk over nine kilometers as there is no easy communication. One could go from Canning Railway Station upto Basanti by Launch, but from there the muddy and countryside impoverished road is the only link which has to be waded all along. There are other common stresses and strains and risks of village life. On two occasions the author narrowly escaped snake-bite and sure death in Uttar-Jyotishpur. The village and its surroundings are full of poisonous snakes. To reach another village Bargachia, the author had to travel on foot seven and a half kilometers from Nilgunj, the nearest Bus Stop, each time he went there for investigations. The village has no motorable road; a typical countryside path connects the village with the metalled road of Nilgunj.

The present study is a field study on rural indebtedness,
based on data obtained from survey of the above five villages. In course of the field study, printed schedules and questionnaires were used. These were supplemented by data from other documentary sources. Case-history method has been adopted for this study.

Schedules were prepared for eliciting requisite information. These were printed in Bengali, the local dialect of the cultivators, to facilitate investigations. The questionnaire contained several important questions indispensable for the study. Questions set were, in the main, divided under five sections, viz.: (A) Personal information regarding the name of the head of the family together with his age, religion, caste, mother tongue and educational standard. The number of the members of the family, their respective age and sex and educational standards were also noted. (B) Income and assets. These included the questions pertaining to occupation of the head of the family together with other members, the size of the landholdings, the nature of land and its products, number of cropping and different sources of annual income of the family for the last three years. However, it was the experience of the author that many villagers are not in a position to furnish correct information in regard to their income for all the three years originally desired. A majority of them stated their income of the last year 1973-74. Some stated their income for two years, and very few could tell their income for three years, as asked in the
questionnaire. Naturally while making the study, the author was compelled to rely on one year's income. (C) The expenditure aspect of the questionnaire sought the information regarding the annual expenditure of a family on different items. Thus sections (A), (B) and (C), with their answers, gave a clear idea regarding the infra-structure and economic profile of the villages. Such an idea was imperative for a clear understanding of the problem of rural indebtedness.

Section (D), i.e. indebtedness part of the questionnaire contained some vital questions covering the various aspects of borrowings of the family, for instance, questions regarding the total amount of borrowing (personal and ancestral), different agencies supplying credit, their respective rate of interest, mode of payment of interest and capital, tenure of repayment, mode of getting loan, etc. The respondent was requested to answer the questions (a) whether the 'Mahajans' (the village money-lenders) exert any influence on him during elections—local and general—and the nature of influence exerted, if any; (b) how the credit was utilised, both in the form of productive and unproductive expenditure? Information were also collected regarding the overall economic condition of indebted families and whether lands and other assets had been mortgaged or lost—why, and who were the transferees?

In preparing the questionnaire and eliciting information, special care was taken to see that the respondent did not suffer from boredom, lest he should bungle. Whenever a respondent was
found fatigued and bored, the questioning was stopped and the requisite information was collected on some other day and time. The head of each family, and in his absence a knowledgeable adult member was picked up and requested to answer the questions. For the purpose of the survey a family has been taken as a group of persons related by blood or marriage having a common kitchen. The procedure adopted for collecting the data was largely informal and non-directive. For this the author had to visit the villages several times, and these frequent contacts and occasional long stays with the villagers generated in them an attitude of confidence and dispelled their doubts and fears about the purpose of the investigation which made the work easier.

In the beginning, however, in some cases, there was a suspicion among the villagers about the bona-fide of the author. Some of them thought that the author was an agent of the Government and was collecting data on its behalf, for enhancement of land revenue. Such suspicion had to be dispelled by a good deal of arguments and efforts, mainly through the mediation of some educated and influential local people. When they realised that the project was not sponsored by Government or by any political party, they became friendly and co-operative. It was thus possible to establish a friendly rapport and an attitude of trust and confidence on both sides.

The rural people are generally hospitable and have warmth of feeling. Mostly illiterate and innocent by nature,
a few of them thought the author to be a missioner making investigations for providing relief to them. But all was not quite smooth sailing. The author had to encounter a lot of initial difficulties in eliciting certain information about land and income of the villagers. These difficulties were, however, removed by persuasion and explaining to them the purpose of the mission. Once their suspicions were dispelled, they were quite co-operative. They helped the author wholeheartedly in his field survey.

It will not be out of place to mention here that on one occasion at Harinavi in the month of February 1976, the writing phase of this Thesis paper, the author was about to be assaulted by a known farmer named Mahadeb Ghosh, without any provocation or offence. In the past whenever the author visited Harinavi, he received friendly co-operation from him. Mahadeb Ghosh as a leading cultivator of the village. Naturally the author was greatly surprised and shocked to receive such a treatment from Mahadeb. Apprehending physical danger, the author left the place immediately begging an excuse for any unknown lapse on his part. But such threatening had a different cause. It was ascertained from the villagers that the passing of the West Bengal Rural Indebtedness Relief Act by the West Bengal Government in 1975, in pursuance of the Prime Minister's 20-point Economic Programme, had made Sri Ghosh, a close linkman of the 'mahajans', apprehensive of the present field study. He was mistaken that this author too was responsible for the passing of such a detrimental
law, affecting the interest of money-lenders. Probably this misconception arose as the author had gone there a number of times for his investigations, before passing of this law. This incident had, however, a happy termination, when in the same evening Mahadeb Ghosh came to beg apology, being reprimanded by Sri Barin Bose, a highly respected local gentleman who hosted the author.

For conducting investigations in the villages it is essential to have intimate communication with the village-folk. In all these villages, the author received tremendous assistance not only from the average villagers, but also from local teachers, youths, panchayat leaders, and cadres and sympathisers of different political parties. For example, the Congress sympathizers of Uttar-Jyotishpur and Bargachhia, the C.P.I. cadres of Harinavi and the C.P.I.(M) men of Baneswarpur helped the author a lot. In course of friendly conversations with the political party men and sympathizers, the author could collect many valuable informations. The author also made friendship with some village rich and jotedars and got some clues from them about landholding and money-lending. The term 'jotedar' has been used for landowner who also carries out money-lending activities. In Uttar-Jyotishpur, one Jamini Naskar, the local Headmaster of a Higher Secondary School and an M.A., is himself a big jotedar. He and the members of his family were very much cordial, and the author stayed at their place on some occasions during his investigations.

The author also took part in some village activities. He
was also a non-participant observer of certain social events, such as, marriage ceremony, death-rites and panchayat deliberations. He also participated in the Krishak Samity meeting of Harinavi, and attended as the Chief Guest in the Annual Prize-distribution Ceremony of the High Madrasa of Bargachhia village on the occasion of the birth and death ceremonies of the Prophet Hazrat Muhammed, the 'Paigambar' of the Muslims. While participating in village affairs, the author recollected the saying — "true participation is simply out of the question and romantic participation obscures the situation completely". Complete participation, even if possible, is not desirable, as it may hinder investigation.

The author has also taken interviews of many high officials connected with rural development programmes. Block Development Officers and office-bearers of some Co-operative Societies have enlightened the author with some useful information. The staff of the Baruipur branch office of the United Commercial Bank, financing the project of the Harinavi Krishak Samity, have also helped the author. At Harinavi, the author met Sri Pannalal Dasgupta, Member of the Planning Board of West Bengal and had some valuable information on land reforms. Views of some legislators have also been ascertained and analysed. Mention may be made of the views of the following M.L.A's, in this connection, e.g., Sri Ajit Ganguli, Sri Biswanath Chakravorty, Sri Apurbalal Majumdar (Speaker, West Bengal Legislative Assembly) and Sri Amiya Banerjee, an ex-M.L.A. All of them hail from the district of 24 Parganas, West Bengal.
The author made door-to-door census for obtaining demographic figures of the villages. In each village the total number of cultivating and non-cultivating families were found out. Care was taken so that no family is left out.

Attempt has been made in this study to discover the depth, magnitude and the sociological import of the rural indebtedness, by making an intensive survey in the five villages of the district of 24 Parganas in West Bengal. The study has, however, been restricted only to the cultivator families of the villages concerned. A cultivating family is defined as a family engaged in the cultivation of any piece of land, owned or leased.

The total number of cultivator families are as follows:

<table>
<thead>
<tr>
<th>Names of the villages</th>
<th>Number of cultivator families</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Baneswarpur</td>
<td>42</td>
</tr>
<tr>
<td>(2) Bargachhia</td>
<td>168</td>
</tr>
<tr>
<td>(3) Harinavi</td>
<td>40</td>
</tr>
<tr>
<td>(4) Badebarasi</td>
<td>93</td>
</tr>
<tr>
<td>(5) Uttar-Jyotishpur</td>
<td>165</td>
</tr>
<tr>
<td><strong>Total 5 Villages.</strong></td>
<td><strong>Total : 508 families</strong></td>
</tr>
</tbody>
</table>

In terms of indebtedness, the cultivator families may
be classified as under:

<table>
<thead>
<tr>
<th>Names of villages</th>
<th>Number of families having land and free from loan</th>
<th>Number of families having land but involved in loan</th>
<th>Total number of families of cultivator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bareswarpur</td>
<td>Nil</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>2. Bargachhia</td>
<td>38</td>
<td>130</td>
<td>168</td>
</tr>
<tr>
<td>3. Harinavi</td>
<td>Nil</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>4. Badebarasi</td>
<td>15</td>
<td>78</td>
<td>93</td>
</tr>
<tr>
<td>5. Uttar-Jyotishpur</td>
<td>27</td>
<td>138</td>
<td>165</td>
</tr>
<tr>
<td><strong>Total : 5 Villages</strong></td>
<td><strong>80</strong></td>
<td><strong>428</strong></td>
<td><strong>508</strong></td>
</tr>
</tbody>
</table>

It is befitting that before we start giving the findings of our field survey, we would start, at the outset as background story, with the poverty problem of India, the factors and forces that led to the impoverishment of the Indian rural masses. These have been dealt within Part I of the Thesis paper.