CHAPTER - 1

INTRODUCTION
CHAPTER - 1
INTRODUCTION

1.1 INTRODUCTION

Agrarian structure is one of the important determinants of the pace and pattern of agricultural development of a country. In fact, any highly skewed distribution of land holdings may exert an adverse impact not only on agricultural growth, but also on the socio-economic conditions of a large proportion of the rural population who remain either landless or semi-landless. In fact, the main thrust of India's land policy during the post-independence period has been to remove all such hindrances to agricultural growth and equity as arise from the unequal and exploitative characters of the agrarian structure through enforcement of various land reform measures. Therefore, change in the agrarian structure of India in recent years, presumably under the impact of land reform, is a vital component of the changing socio-economic scenario of villages (Haque, 1987).

India is an over-populated agrarian country. Agriculture still is the lifeline of our economy. Today, agriculture and allied services contribute around 28 per cent of the gross domestic product. About 75 per cent of the population is still dependent directly or indirectly, on agriculture, while it provides employment to two-thirds of the total work force. The solution of several problems which the nation is facing is critically dependent on the rapid development of agriculture and allied activities.
Since independence agriculture has marched a long way. New economic and social relations have emerged.

The partition of the country in 1947 disrupted the economy and resulted in the loss of food as well as jute and cotton growing areas to Pakistan. Almost one-third of the irrigated land in undivided India (about 20 million acres) went to Pakistan reducing the percentage of irrigated land to the total cultivated land from 22.6 per cent before partition to 16.6 percent thereafter. The food grains deficit therefore increased in the immediate post partition period while the jute and textile industries faced a shortage of raw materials.

At the time of independence, India inherited an antiquated, feudal agrarian structure with stagnant growth of agriculture. At that time there were three land tenure systems in the country: zamindari, mahalwari and ryotwari. Approximately 57 per cent of the area of the country was under the zamindari system. In terms of coverage, ryotwari system came second with 38 per cent, while the mahalwari system accounted for 5 per cent of the area. The zamindars extracted as much rent as they wished. According to Bhawani Sen, approximately 25 per cent of the produce which in 1949-50 amounted to Rs.1200 crores was taken away by intermediaries in the form of rent. The grabbing of such a high proportion of income by a parasitic class was not only socially unjust but also highly detrimental to capital formation and economic development. The actual cultivator was left with no surplus to invest in the development of agriculture, through improved implements, quality
seeds and fertilizers, neither was there any incentive for him to increase agricultural production and productivity.

The tillers showed no interest in modernisation of agriculture or in the prevention of such recognised evils as fragmentation. Consequently, agricultural production was held down and from the 1940's to the 1950's, it rose so slowly as to amount to virtual stagnation.

In the ryotwari areas also a substantial portion of land went into the hands of moneylenders and mahajanas. Thus, absentee landlordism to a great extent, became the order of the day. A big chunk of the cultivated land was under tenancy in these areas also (Krishna Rao 1999).

Karnataka is one of the states predominantly dependent on agriculture with Rs.23027 (at current prices) of states domestic product originating from agriculture and nearly 56 per cent of workers being in agriculture. Karnataka also has a strong and diverse base of agro-processing industries, which is growing faster as compared to other southern states. Karnataka is one of the few states to declare an agricultural policy drawing a long-term development plan for the sector and exploiting opportunities therein, particularly in the wake of the removal of trade barriers. Notwithstanding the average farmer remains poor and suicide deaths of farmers are increasing in the state. This only reflects the inequitous agrarian structure and the failure of the institutional mechanism to support agriculture and agriculturists (Bagalkoti, 1994).
Since 1970-71 many sweeping changes have taken place in the agrarian set-up of the state and in the property and production relations in the agrarian sector. There have been changes in the land holdings of different magnitudes in class differentiation and composition in crop production and productivity as well as in cropping patterns. The stabilisation and structural adjustment have led to radical changes in the state economy, in general in the rural and agrarian sector in particular. There is also a change in the occupational pattern of different classes. The number of small and marginal farmers is increasing along with the land area under them, while the number of large farmers and the area under them is decreasing. There is no significant change either in the percentage of people dependent on agriculture or the workforce engaged in it. Even today nearly 70 per cent of the population and 67.30 per cent of the workforce is dependent on agriculture. This shows that there is no significant shift of people from the agricultural to the non-agricultural sector, and the over crowding continues in agriculture. The gap between per capita income of the urban and rural people is widening. There has been a significant growth in agricultural labour as well as in the number of people dependent on wage labour, casualisation of wage labour is also on the increase. A brief review of the structural changes over the last three decades clearly shows the importance that the small and marginal farms occupy in the agrarian economy of the state not only because of the vast number of such farms but also because of the percentage the land under them. The same situation is true of many districts, especially the backward areas.
Gulbarga district is a classic case characterised by agrarian backwardness and higher incidence of suicides by farmers. Between December 1997 and May 1998, 23 cases of suicides related to agricultural crop loss were reported from the North Karnataka Districts of Bidar and Gulbarga. Of these, ten suicides were by agriculturists in the district of Gulbarga. (Vasavi, 1999) Hence, it would be of great importance to study the nature and dynamic of agrarian structure of the district.

1.2 MEANING OF THE AGRARIAN STRUCTURE

A discussion of agrarian structure should cover two aspects: One relating to the distributing pattern of land owned and operated according to the size of holdings and second relating to agrarian relationships. The two are inter related. The agrarian relationship are largely determined by the structure of land ownership, but they also reflect several historical, political and social factors. (Dantwala, 1991).

1.3 REVIEW OF LITERATURE

The literature on agrarian structure, land reforms and tenancy is very vast. But due to limitations of time and resources, few studies that are relevant to the chosen problem are reviewed. There are four types of studies, namely (i) those pertaining to review of agrarian structure, (ii) those analysing tenancy relations, (iii) those studying changing composition of agricultural labour, and (iv) those reviewing land reforms and their implementation.
Agrarian Structure

Prahaladachar (1987) suggests that the assets including land among rural households in Karnataka is inequitous and skewed. Haque (1987) also observes that the ratio of both ownership and operational holdings showed rising trends in many regions. In fact, the problem has to be tackled in an integrated manner through a more radical distribution of land and planned industrialisation and diversification of the rural economy. Sandhu and Grewal (1987) revealed that the acquisition of ownership rights in small residential and commercial holdings by the landless people, could be considered as a cumulative aspect of subdivision of holdings. As such, the number of ownership holdings increased and the size of average ownership holdings declined. Contrary to this, the average size of operational holdings increased. Diwakar (2000) reflected that the increasing production and productivity is due to introduction of machines, displacement of labour through machines, marginal increase in wage, use of modern inputs, family participation etc.

Gyanendra Mani and Pandey (1995) view that the existence of land lease market in agriculture to a considerable extent has beneficial effects on productivity and growth and therefore, suggest for according full legal status to tenancy as a general class of land tenure by protecting the interests of both the owners and the tenants. This will help replace a wider range of inability in agriculture by the willing ability to cultivate lands. This will also reduce unnecessary fragmentation of
agricultural holdings since lease rent as an annuity will serve as an alternative to wealth sharing through land sales. In developed areas and where population pressure in agricultural land is less and wages are high, the marginal farmers may gain doubly by leasing out their land in rural and taking up wage employment. Hanmantha Rao (1970) observed whether institutional credit will be made an instrument for reducing the disparities in income and wealth in the agricultural sector will finally depend on the awareness and bargaining power of the small and middle farmers themselves. At present, their interests do not seem to offer an attractive source of political power for the parties concerned for whom the returns from alternative sources continue to be higher. Shah and Agrawal (1970) shows that the new technology has created inequitable distribution of income as is evidenced by the variation between the economies of progressive and less progressive farmers and also inequalities due to the pattern of production expenditures on new inputs and capital investments by these farmers. Saini (1976) observed that the productivity per acre and intensity of cultivation declined with an increase in the farm size. One can infer that the small farmers were able to reduce the inequalities in income arising out of the unequal distribution of land among cultivating households to some extent. The emergence of capital intensive technology now seems to have shifted the advantages of productivity per acre (enjoyed by small farmers) in favour of the big farmers.
Tenancy Relations

Laxminarayan and Tyagi (1977) indicate that since the importance of large holders among tenants, and the unquestionable emergence of crop sharing tenancy as the dominant form of tenancy in predominantly food grain producing areas irrespective of the type of tenancy, all tenancies came in the way of efficient allocation of resources. Even cost sharing tenancy arrangements do not lead to optimum utilization of resources. Krishna Bharadwaj and Das (1975) indicates that the relative economic status of the tenant vis-a-vis the landlord appears to influence rents per acre under fixed kind and cash systems. Generally, the smaller tenants pay higher rents per acre than the bigger ones. Gross productivity per acre was generally higher under fixed rent systems than that was under sharecropping. Productivity per acre of the smaller tenants was generally higher than productivity per acre of the tenants. It is found that while in some villages fixed kind rent per acre exceeds the actual crop share under share cropping, in some others where the harvest was particularly good, the fixed kind rent per acre was smaller than the actual crop share. Laxminarayan and Tyagi (1982) points to three generalizations. (1) land less labour, marginal and small farmers, account for bulk of leased in and leased out area, (2) medium size holdings also lease in land and lease out land in a considerable scale, and (3) in some states big farmers do not lease in considerable land area and in most of the states they lease out considerable area. Joshi (1997) has concluded that the peasant movement was a vital force for change in Uttar Kannada, bringing to the force the urgent need for
reforms and an illustration of how pressure of the organised, enlightened and assertive tenants is essential for realization of the objectives of any tenancy reforms.

**Agricultural Labourers**

*Lahiri (1970)* shows that, the new strategy has substantially reduced unemployment among agricultural labourers in several states. The impact of HYVP on wages is likely to be felt most during the sowing and harvesting seasons. However, the effects of introduction of tractors and other machinery, particularly in Punjab and U. P. have not been taken into consideration in his analysis. *Parthasarathy (2001)* has pointed out that there was a rise in the number of peasant holdings and the area under them and a steep fall in the number and proportion of holdings, under what may be called as feudal holding. But this has not resulted in higher efficiency in such holdings. Marginal holdings, though burdened with waste lands prove to be better in land use. The study of *Rangi, Sidhu, and Harjit Singh (2001)* has revealed that the farmers of Punjab responded to the resulting economic pressures by replacing permanent agricultural labour with the casually employed labour. This structural change in rural labour employment has wider social, economic and political implications that merit serious attention.

*Sharma and Surendra Mehar, (2001)* have concluded that the incidence of indebtedness defined by proportion of households reporting cash loans increased marginally. The reported increase had remained faster among the non-cultivator households as compared to the
cultivator households. Nevertheless, at the all India level, average value of debt has grown faster than the average value of debt per household except for non-cultivator households barring a few varieties across the states. The share of institutional agencies has increased marginally. However, the increase in the share of non-cultivator households was sharper as compared to cultivator households. It is also observed that the purpose of loans, taken for productive purposes had declined sharply. And the fall in the share of debt for productive purposes was accounted by the households expenditure for all categories of households. Sudarshan Reddy and Venkateswar (2001) noted that segmentation and wage differential among male and female wages still persisted in the same time period. Needless to say the emergence of technologies that aid productivity, and the spread of communist movements have led to improvements in the conditions of labour. But it needs to be noted that, owing to two factors namely (a) the growing number of small and marginal farms and (b) distress conditions of farmers engaged in cultivating cotton and other crops, serious limitations are setting in for further improvement in the bargaining power of labour.

**Land Reforms**

Abdul Aziz (1997) shows that fixing ceiling on agricultural land holdings as a redistributive measure draws, its logic from the need to reduce inequalities in the rural areas by empowering the rural poor with an income generating asset. Chandrashaker Danila (1997) states that even the land reforms and developmental measures introduced by the
government had the effect of shaking up rural society but scarcely reshaping it on egalitarian lines. Haque and Parthasarathy (1992) have concluded that an effective implementation of land reforms could contribute to efficient functioning of markets and facilitate agricultural growth in order to achieve the goals of improved employment and equity.

Parthasarathy (2000) argues that the task of land reforms has remained unfinished and hence there is a definite need to replace land reform at the centre stage of our planning and policies. For successful rural development, it is necessary to dovetail existing poverty alleviation programmes with land reforms. The state should reform its confrontationist attitude towards peasant movements and give legal sanction to land already occupied by the landless organised around such movements. The approach in the new economic policy to relax restrictions on land ceiling and to give concession to corporate frame would have dangerous repercussions on agrarian transformation.

Prasad Choudary (1993) concluded that land reforms can be studied in relation to the development of productive forces both agricultural and industrial. Again, the impact of land reform measures can be probed to understanding the mobility of various classes and castes, and their value systems in the overall evolution of contemporary society. Parthasarathy (1996) has examined the consequences of directions of land reform in the 1990's which is a major issue relevant to the land question in the shift of rural people to the urban area and their prospects. As rural people migrate to the urban areas, access to land may be considered to become less urgent. Growing shifts tighten the labour market within
rural areas, raise agricultural labour wages and simultaneously reduce the share of the land owners while raising the returns to labour. Radhakrishnan (1983) also notes that in the village studies the loss of land by the group in which land was traditionally concentrated along with status power, authority, and the gain of power by the groups which were traditionally dependent on land subsequent to it have resulted in the loss of status, power and authority by the former, gain of Socio-economic status and emancipation by the latter and alteration of the traditional hierarchical socio-economic relations into egalitarian relations.

Surindar Jodhaka (1995) observed that land reforms in Karnataka even where successful had not been able to alleviate the economic status of the beneficiaries much. The causes and consequences of land reforms which increase in number of agricultural laboures, particularly, casual labourers, bringing about some positive economic change in Dakshina Kannada districts have been the institutional source of credit.

The above studies have concluded as follows and they are relevant to our study.

1. The ownership and operational holdings show rising trends due to the acquisition of ownership rights in small residential and commercial holdings by the landless people. This could be considered as a cumulative aspect of sub division of holdings as a result of which the number and area of small and marginal holdings have increased as against medium and large holdings that declined sharply.
2. The production and productivity showed rising trends due to introduction of machines, displacement of labour through machines, marginal increase in wages, use of modern inputs, family participation etc.

3. The amount of loan provided by institutional agencies has increased. However, the increase in the share of non-cultivator households was sharper as compared to cultivator households. It is also observed that the purpose of loans, taken for productive purpose had declined sharply.

4. The result of economic pressures has resulted in replacing permanent agricultural labour with the casually employed labour.

5. An effective implementation of land reforms could contribute to efficient functioning of markets and facilitate agricultural growth and achieve the goals of improved employment and equity. The causes and consequences of land reforms and increase in the number of agricultural labourers, particularly, casual labourers, bringing about some positive economic change have been the institutional source of credit.

1.4 CHARACTERISTICS OF AGRARIAN STRUCTURE:

From the analysis made so far, the following characteristics of the agrarian structure in India arise:

1) High proportion of small and marginal ownership households and further decrease in the average size of tiny holdings.

2) Considerable increase in the number of small and marginal holdings.

3) Sharp increase in the number of agricultural labour households.
4) Higher growth of agricultural labour than the growth of number of ownership holdings indicating increased landlessness in the country side.

5) No improvement in the economic conditions of lower strata of rural population as indicated by their share in consumer expenditure.

6) Poorer rural households have hardly any access to institutional credit and they are more at the mercy of rural moneylenders.

Continuance of considerable tenancy and deterioration in the condition of tenancy by more and more tenants being evicted from land and increased conversion of other types of tenancies to crop sharing tenancy and formal to informal tenancies (Laxminarayan and Tyagi, 1982).

1.5 OBJECTIVES

The specific objectives of the study are to:

1) analyse the growth performance of Gulbarga district,

2) examine the agrarian environment of the district in terms of production, marketing and financial constraints.

3) analyse the changing size distributing pattern of operational holdings in Gulbarga,

4) examine the changing composition of agricultural workforce in Gulbarga,

5) evaluate the progress of land reforms in Karnataka and analyse the impact of land reforms on the socio economic status of agrarian structure in Gulbarga, and

6) suggest measures to improvement socio-economic conditions of the farmers and agricultural laborers.
1.6 HYPOTHESIS

The study seeks to verify the following hypothesis.

1) There is an intensification of marginalisation process of the agrarian structure.

More backward the region, more unfavourable is the agrarian climate.

1.7 METHODOLOGY AND RESEARCH DESIGN

1.7.1 MATERIALS AND DATA USED

A study of this nature necessitates the use of both primary and secondary data. While the primary data were collected from the sample farmers by interview schedule, the secondary data used in the analysis were as published by the Directorate of Economics and Statistics, the District Statistical Office, District Commissioner Office, and the Census Reports as well as the books and articles in the Public domain. Interviews and discussions with government officials and experts in the field were also held to get clarification on the issues involved.

1.7.2 SELECTION OF THE REGION/DISTRICT

The study adopts a multi-stage stratified systematic sampling method. In the first stage, the district is selected. For the present study the Gulbarga District has been purposively selected. The District has a backward, drought prone economy and provides the right setting for study of the dynamics of agrarian structure.
1.7.3 SELECTION OF THE TALUKAS

The next stage of selection was the talukas. Gulbarga district consists of ten talukas (Afzalpur, Aland, Chincholi, Chitapur, Gulbarga, Jewargi, Sedam, Shahapur, Shorapur and Yadgir) which are at different levels of development. 14 development indicators were analysed to review the development levels of the 10 talukas. The fourteen development indicators used for the analysis are:

1. Percentage of urban population to total population.
2. Percentage of net sown area to geographical areas.
3. Percentage of net irrigated area to gross cropped area.
4. Number of irrigation pump sets to per thousand hectares of net sown area.
5. Percentage of area sown with HYVS to net sown area.
6. Percentage of Agricultural workers to total workers.
7. Percentage of Agricultural laboures to total workers.
8. Percentage of Industrial workers to total workers.
9. Percentage of literates to total population.
10. Number of bank branches per thousand population (Commercial Banks)
11. Number of Bank branches per thousand population. (Cooperative Banks)
12. Road length per thousand sq. kms. area.

13. Number of telephones per lakh of population.

14. Number of hospitals per lakh of populations.

The indicators were compared taluka wise for 1971, 1981, 1991, and 2001 based on which 2 taluks – one advanced (Sedam) and one backward (Jewargi) were chosen for study.

1.7.4 SELECTION OF VILLAGES

At the third stage we selected four villages from both the talukas on the basis of the following criteria: land utilization, availability of infrastructure, communication, educational and health facilities. Accordingly one advanced village and one backward village from each taluk were selected. While selecting the advanced and backward villages, sufficient attention was given to factors like nearness to the taluk head quarters or urban centers, existence/functioning of co-operative societies, banking institutions, post offices, health centers, education societies, irrigation canels, ration shops, cloth shops, provision stores, transportation and communication facilities etc.

Similarly, two backward villages having few or none of the above mentioned facilities were selected for comparative study purpose. The details of the level of development of villages are given in Table 2.13 of chapter 2. While selecting these villages, the officials of the Department of Agriculture, Block Development Office, Taluka Development Boards, Tahsildars, Agricultural Assistant etc, were consulted. They were also
consulted while classifying the villages into advanced and backward categories.

Thus, it is on the basis of these criteria that we selected two advanced villages (Mudol and Nelogy) and two backward villages – (Kallur K. and Gadadana). Mudhol and Gadadana are from Sedam taluk, Nelogy and Kallur K are from Jewargi taluk.

1.7.5 SELECTION OF THE SAMPLE FARMERS

In last stage the farmers were selected from these villages. For the selection of the sample farmers, a list of land holdings in each selected village was prepared with the help of the Talati (village record keeper). The land holdings were classified into four size classes according to acreage of land. The four size classes are as follows:

1) Marginal farmers having less than 2.5 acres of land.
2) Small farmers having 2.5 to below 5 acres.
3) Semi-medium farmers having 5 to below 10 acres.
4) Medium and large farmers having 10 and above acres of land.

From each size class including agricultural labourers 8 per cent was derived using sample systematic method from each of the village. Thus a total of 253 households were selected. The selected sample frame of the farm households from the selected villages is given in Table 1.1


<table>
<thead>
<tr>
<th>Category</th>
<th>Sedam Villages</th>
<th>Jewargi Villages</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mudol</td>
<td>Gadadana</td>
<td>Nelogy</td>
</tr>
<tr>
<td>Marginal</td>
<td>43</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Small</td>
<td>22</td>
<td>5</td>
<td>32</td>
</tr>
<tr>
<td>Semi Medium</td>
<td>12</td>
<td>3</td>
<td>35</td>
</tr>
<tr>
<td>Medium and Large</td>
<td>4</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td>Agri. Labourers</td>
<td>30</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>18</td>
<td>94</td>
</tr>
</tbody>
</table>

The primary data were collected from the 253 sample households of the four selected villages using the interview method. For the purpose of collecting data from the sample households, an exhaustive interview schedule was prepared and canvassed during January – February 2004. Information regarding the sample farms was gathered for the preceding agricultural year. The interview schedule comprised pre-coded answers and also a number of open ended questions. Farmers in the sample were conducted several times and discussions were held with them individually on various aspects while canvassing the schedule. A copy of the questionnaire appended at the end of the thesis.

The data were later processed and tabulated. The analysis of primary data on various aspects is presented in the subsequent chapters of the study. The statistical techniques used in this study include mainly, ratios, percentage, percentage variation and average.
The thesis consists of seven chapters.

The first chapter is introduction of the thesis. It contains review of literature, research design, objectives of the study, hypothesis, and methodology used for data collection and analysis.

The second chapter contains socio-economic background of the study area. Firstly the nature of district economy, its physical, social and economic characteristics are highlighted; secondly, the regional development within the district economy is studied with a set of fourteen socio-economic indicators and list of developed and backward talukas is prepared. The analysis is done at four different points in time i.e. 1970-71, 1980-81, 1990-91 and 2000-2001. Lastly, the evaluation of socio-economic condition of respondents is undertaken.

The third chapter examines changing pattern of land holdings in Gulbarga. Trends in land holdings, tenancy practices and land transactions in the study are discussed. The chapter analyses both secondary and primary data.

The fourth chapter deals with the agrarian environment of Gulbarga district in terms of the production, marketing and financial status and evaluates the favourableness of the same from respondents point of view.

The fifth chapter deals with the changing composition of workforce structure in Gulbarga. The sectoral distribution of workers, distribution by status of workers, rural labour market and agricultural wages in both the advanced and the backward villages are discussed. The chapter analysis of both secondary and primary data.
The sixth chapter examines land reforms and changing agrarian structure: an evolution of land reform in Karnataka, implementation of land reforms and quantitative profile of tribunal operations in Gulbaraga, distribution of surplus land among advanced and backward villages are discussed. The chapter also uses both secondary and primary data, the secondary data were collected for the period from 1974 to August 2004.

The last chapter contains that summary, conclusion and suggestions of the study.
REFERENCE


H. Lakminarayan and S. S. Tyagi, (1982), "Changing in Agrarian Structure in India" Agricultural Economic Research Centre, University of Delhi,


