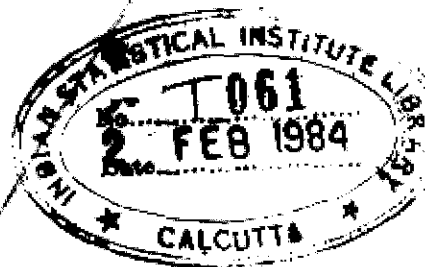


RESTRICTED COLLECTION

**Structure and Inter-Relations
of the Land, Labour, Credit and Product Markets
of South Kanara**

A Study of a Backward Agricultural Economy



K. Nagaraj

RESTRICTED COLLECTION

A thesis submitted to the Indian Statistical
Institute in partial fulfilment of the
requirements for the award of the
degree of Doctor of Philosophy

1981

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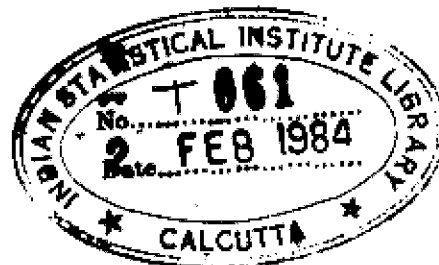
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MADRAS

K. NAGARAJ

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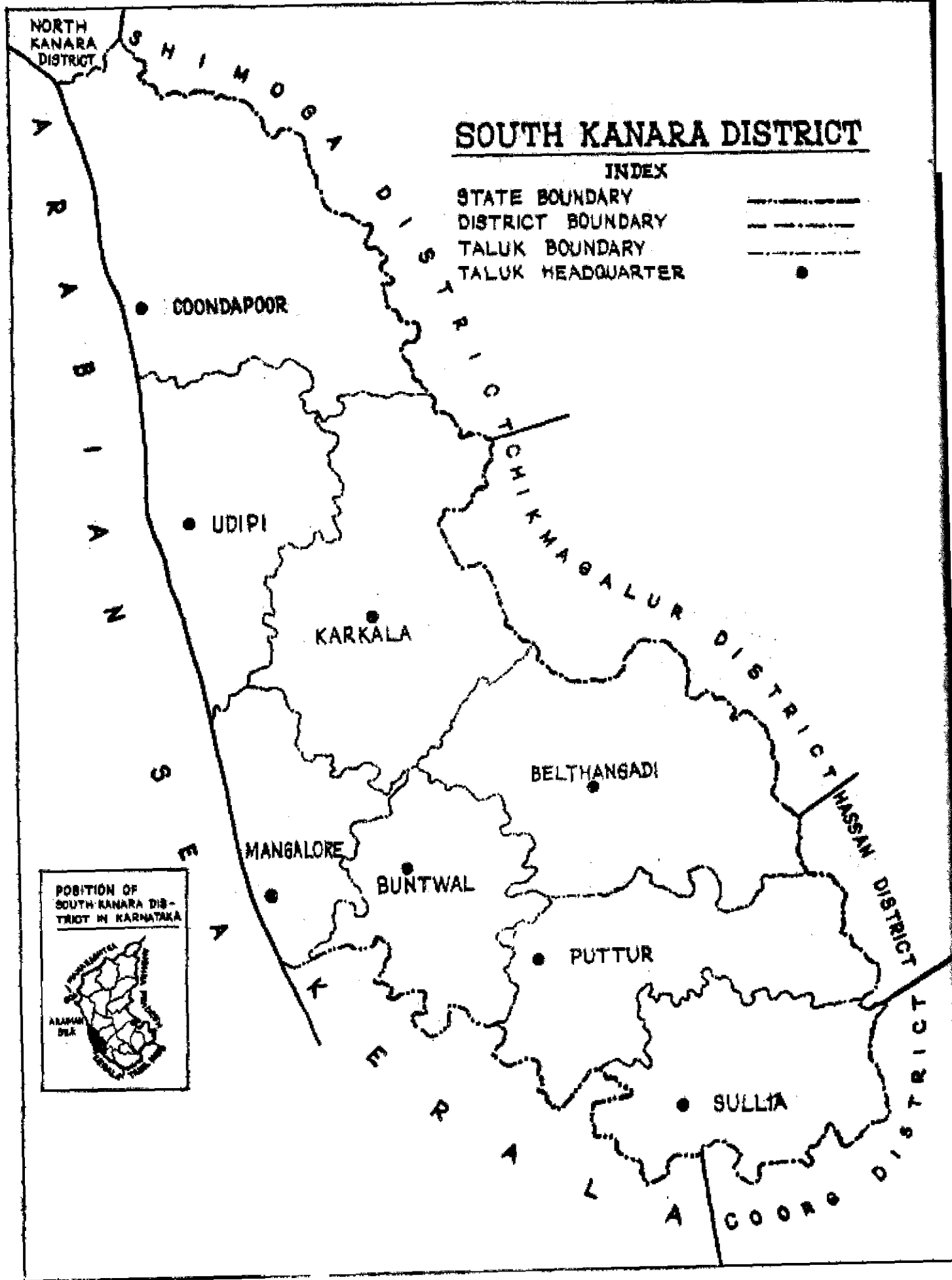
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NORTH
KANARA
DISTRICT

SOUTH KANARA DISTRICT

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- STATE BOUNDARY
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- TALUK HEADQUARTER

● COONDAPOOR

● UDIPTI

KARKALA

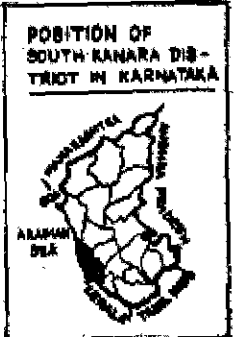
BELTHANGADI

MANGALORE

BUNTWAL

● PUTTUR

● SULLIA



CHAPTER 1

INTRODUCTION

1.1. THE SUBJECT MATTER OF STUDY

South Kanara is a predominantly rural and agricultural district in the state of Karnataka in South India, given largely to the cultivation of a single subsistence crop (paddy) which accounts for nearly 70 per cent of its gross cropped area. The agricultural technology is primitive, with little use of 'modern' inputs like chemical fertilisers, HYV seeds etc. There are no large scale or modern industries in the district. The little manufacturing activities that exist are mostly of the primary processing type, carried out in small establishments and households. There is however a rather high incidence of the so-called 'tertiary' activities like trade and banking, and health and education. This is particularly true of the coastal areas of the district on its West, which give the impression of being an 'advanced', 'commercialised' economy. There is also a ghat section on the eastern parts of the district having the character of a 'cash-crop' economy, areca being a major crop in this area.

Our study will focus primarily on the wide interior belt or region of the district, which is almost purely a subsistence crop agricultural economy. Needless to say,

we have to pay due attention to the other areas or regions of the district, as well as to the growing of crops other than paddy and to non-agricultural activities. However, all these come into our study not so much on their own as for throwing some light on the character of the 'economy' of the interior or for a balanced overall view of the 'economy' of the district as a whole.

Whether we talk of the interior or the district as a whole, the 'economy' of our study is clearly a backward agricultural economy. It also remains down to its core a traditional rural or agrarian society. As in all such societies, the social structure in our economy is founded fundamentally upon the pattern of ownership of land. We shall give a somewhat detailed account of this pattern in the next chapter. Let us just 'introduce' it here by saying that there is a very clear and definite 'core' of the entire pattern of landownership in the district in a rather closed community of big landlords who are traditionally 'landlords' of the area, particularly in the interior. We shall call them simply the traditional landlords of the district or the economy. They represent its landed class par excellence.

Returning to the 'theme' introduced, we can say that the extremely unequal distribution of land one observes in a traditional agrarian society gets reflected not only in

an extreme inequality in levels of living but also in a significant element of 'power and control' in its landed class. Within the market frame, this power and control gets reflected not only in the terms and conditions of tenancy (this is what constitutes the 'land market' for our purpose) but also in the terms and conditions of 'contracts' established in all the major and basic markets of the economy, which in turn are related to the fundamental factor of ownership of land in one way or another.

Stated in more direct and positive terms, the ownership of land remains the fundamental condition of extraction of surplus in a backward agricultural economy. Imposing again the market frame, one can say the rent obtained through the land market remains the basic or primary form of surplus in such an economy. However, the landed class also obtains a surplus in various other forms through 'other' markets, participating in these ultimately on the basis of their land.

This sets out the basic perspective in which we see the subject matter of our study, the structure and inter-relations of the land, labour, credit and product markets of the economy briefly outlined at the beginning. Thus, the subject matter is studied with the broad or ultimate end of saying something about the nature and extent of the 'power and control' and methods of 'surplus extraction'

of the landed class of our economy. Stated differently, these remain the basic overall 'themes' of our discussion all through.

Let us now discuss the subject matter and how we approach it in somewhat a priori terms. To begin with, the 4 markets are taken to be broadly defined by the 'lease' of land, 'employment' of labour, 'credit' itself and the 'sale' of the produce. Clearly, these cover the basic economic institutions of the society we are concerned with. Thus, the empirical domain of our study can be stated to be simply the backward agricultural economy of South Kanara as a whole at one level and its four basic and major markets at another. Let us spell out the relation between the two levels in the study.

We had started out with a brief 'introduction' to the economy of our concern. It is obviously necessary to fill out its 'basic structure' in somewhat fuller terms before we can come down to its individual markets. This is done in chapter 2 below. After this, we take up the four markets of our concern one by one in the four following chapters (chapters 3-6), which may be said to constitute the 'core' of the thesis. On the one hand this allows us to take due note of the basic structural characteristics of each market and thereby fulfill the requirements of a 'proper' description of the market. On the other, we can

cumulatively build up the 'picture' of our economy, starting from the bare outlines of its basic structure, through the 'structure and inter-relations' of its major and basic markets. This is how the integration between the two 'levels' of the study is sought to be accomplished.

Let us now say a few words about the a priori 'scope' and 'ordering' of our 4 markets. As already suggested, the land market is the direct and natural field of expression of the power and control of the landed class of a backward agricultural economy. This is also where the basic form of surplus in the economy is obtained. Hence it is our primary reference and comes before all other markets. Now, viewed in purely a priori terms, the labour market defines an alternative to the land market from the standpoint of surplus extraction, in that a big landowner can obtain a surplus either through the lease of his land or through the employment of labour for self-cultivation. Hence the labour market is the natural second to the land market in the study of markets of a backward agricultural economy.

Let us bring up here a rather fundamental question regarding the labour market in a backward agricultural economy viz., how far it, and hence, the employment relation, are integrated into the structure of institutions and relations of the economy. We shall ourselves come to

observe certain 'lacks' of integration of the labour market of our economy to its structure of institutions and relations, without however attempting any general 'explanation' of it. In this sense, the whole question is left as an open end falling outside the scope of the present study. Let us just point out here that the moment we claim that rent is the basic form of surplus in a backward agricultural economy, we imply a dominance of surplus extraction by big landowners through the lease of their land than through their self-cultivation on the basis of hired labour. Hence, in some sense the land market is a more 'basic' institution of the economy than the labour market whose status in the whole structure of institutions is also thereby left somewhat open.¹

Returning to the main line of the discussion, we observe that the markets for agricultural land and labour represent, by definition, agricultural institutions (or areas of institutions) proper. Hence no particular problem of 'scope' in the sense of inclusions and exclusions arise with respect to these two markets. Each of the two other markets raise some special conceptual problems in this regard.

1. We need not take any rigid or a priori stand on this. Suffice it to say that this is indeed a definite feature of the 'economy' we ourselves shall be concerned with.

In the credit market a sharp distinction is to be made between credit extended by 'agencies' operating in rural areas which belong to the 'national' economy or some broad regional division of it (e.g., commercial banks and co-operatives, or the so-called 'organised credit agencies') and credit extended by members of the rural community themselves, which is really rural credit 'proper'. Clearly, it is only the latter that 'belongs' to a rural or agrarian economy in its institutional sense and hence falls within the strict boundaries of our study.

Given this clarification, it follows that in the land, labour and credit markets we are a priori interested in both sides of the market. This in turn prepares the ground for going into the 'full' relation between the two sides -- and hence into the land, labour and credit relations of our economy -- which in fact is something we shall directly focus on. This focus clearly follows from our basic perspective, for whether we talk of the power and control of, or the surplus extraction by, the landed class in the context of a particular market, it is clearly a matter of its relation with the 'other' side in the market.

Let us now come to the product market. This is connected to an agricultural economy fundamentally through the sale of the produce by 'producers' themselves, i.e.,

through the so-called marketed surplus of the 'producers'. There is also some purchase of the produce within the economy, including in particular, the 'buying back' of the produce by some 'producers'. This, however, is clearly an aspect of the general notion of the marketed surplus. The main buyers are not the villagers but traders based in urban areas. They do not belong to the rural economy and hence to the proper scope of our study. Hence the 'relation' between the two sides is also somewhat beyond the scope of our study, which is limited basically to different aspects of the marketed surplus.

The product market conceived as above clearly falls on the 'boundary' of an agricultural economy. Its working on the supply side represents an upshot of the way the land, labour and credit markets of the economy work, all of which belong to the 'interior' of the rural economy, so to say. Hence, this is the 'last' of our markets. This completes the statement of the 'ordering' of the 4 markets of our study.

So much for the 'scope' and 'ordering' of our individual markets. Let us pass on to the very notion of 'markets' as such as we use it. In a way, the matter ends with our defining the markets by the 'lease' of land, 'employment' of labour, extension of 'credit' (more precisely, 'rural credit') and the 'sale' of the produce.

Whether or not the arrangements for these conform to the a priori requirements of a 'market' in any strict theoretical sense is an issue we will not be very much concerned with. After all, this is an empirical study, concerned with a 'concrete' economy and its concrete institutions and relations. In this, the 'markets' as such serve basically as convenient 'starting points' and 'covers' to get to certain concrete institutions and relations of the economy in a systematic fashion. Our ultimate concern, in the sense of what we seek to describe, is the concrete institutions and relations of the economy met with, not 'markets' in any abstract or strict theoretical sense. Hence the structure and inter-relations of markets we study is also ultimately the structure and inter-relations of concrete institutions and relations of the economy, 'introduced' through the 4 markets.

Stated more explicitly, just as significant alternative institutions and relations, or 'types' of arrangements, may coexist within the boundaries of a particular market, so also there may exist significant institutions and relations which, though 'introduced' through some particular market, are not contained within its strict boundaries and may overlap with other markets as well. The 'structure and inter-relations' we study in the context of a particular market is very much the 'structure' defined by the

alternative 'types' existing within the markets concerned, and the inter-relations defined by 'types' present in it having essential references outside the market. Thus the whole study can also be said to be a type-study of the concrete institutions and relations of the economy, surveyed in a particular manner and integrated by some common objectives of pursuit.

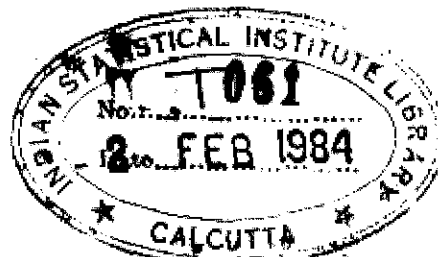
The inter-relations of markets of a backward agricultural economy, understood as above, have come into much prominence of late following a set of closely related papers by Bhaduri (1973) and (1974), Sau (1973) and Prasad (1974). These papers have been very much at the background of our study, prompting certain particular directions of the study. Let us first give a brief account of these papers from the standpoint mentioned, viz., inter-relation of markets in the context of a backward agricultural economy.

Bhaduri's initial paper (1973) was given to a theoretical model of backward agriculture claimed to have been based on agrarian conditions of Eastern India. The essential result of the model from our standpoint was the perpetuation of what in effect was a system of 'debt-bondage' of the bulk of the agricultural poor to big landlords of the area. The agricultural poor were assumed to be landless, or near-landless, share-croppers (known as

bargadars) who could make up a subsistence only by taking consumption loans from their landlords, carrying "usurious" rates of interest. The landlord-cum-lender had an obvious interest in the perpetuation of the system which was only complemented by the inability of the bargadars to free themselves of their indebtedness to the landlords.

At about the same time, Sau (1973) described the 'rural economy' in India in terms of the key agent of a jotedar whom he described as "not a very big landlord in the absolute sense, (who) (a) leases out land to tenants (b) lends money to poor peasants and agricultural labourers at skyhigh interest rates, (c) purchases crops from the poor farmers at post-harvest low prices, and sells it in due course at the next pre-harvest high prices, and (d) finally, also brings urban, industrial goods to the village market to sell to the villagers, rich and poor...."². Thus, while in Bhaduri's model the landlord was also a major lender, in Sau's model he is turned into a trader as well. Prasad (1974) studied the role of usury in enforcing 'bondage' on agricultural labourers. Bhaduri (1974) focussed on the role of 'merchant's and usurer's capital' in enforcing an "involuntary involvement of the peasant in the market for foodgrains both as a buyer and as a seller."³

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2. See Sau (1973); p 19
 3. See Bhaduri (1974); p 136



This completes the account of the papers referred. The main point to be stated in regard to these is that each paper began with an a priori postulation of what in effect is a particular 'mode' of inter-relation connecting one particular market to another in a particular fashion, and proceeded to draw logical conclusions from it. None of the papers presented any systematic empirical evidence in support of their basic postulates regarding the structure or inter-relations of the markets concerned. In fact, the empirical validity of these postulates have been questioned, even for Eastern India, by Rudra (1975), Bardhan and Rudra (1978)⁴.

The original motivation of our study was much the same as that of Rudra and Bardhan (1978) for the specific case of South Kanara. A preliminary field survey conducted by us in the district in July-August, 1975 clearly revealed the inadequacies of the 'modes' of inter-relation as formulated by Bhaduri (1973) and Sau (1973) to capture the complex as well as rather diffused reality one met. We therefore extended the scope of our enquiry to a systematic exploration of alternative 'modes' of

 4. At the same time, much attention has also been given to the purely logical or formal validity of the arguments, particularly those of Bhaduri (1973). See, e.g., Newbery (1975), Griffin (1974), Ghose & Saith (1976); Bell (1977); Srinivasan (1979) etc. Being of a 'model building variety', this literature falls outside the scope of our study and hence, is not gone into. For a review of this literature, see Bardhan (1980).

inter-relation that actually prevailed in the economy and carried out a more extensive type-study kind of survey in our district in December 1975 - April 1976.⁵ An outline of the survey which remains the principal source of information for our study is given in the next section.

We have already clarified how we come to the element of inter-relation in the context of any particular market of our study. We shall in fact keep an eye for it, and when we do meet definite inter-relations in a market, we shall discuss its nature in somewhat comprehensive terms, attempting to clarify the role it plays in the market concerned on the one hand and in the methods of surplus-extraction by the landed class of the economy on the other. This is the 'particular direction' prompted by the literature referred so far as our own study is concerned.

This completes the statement of the subject matter of our study and our approach to it. Let us end with a few concluding observations on the nature of the study as a whole, all of which are suggested in different degrees by the statements so far.

First, the study is basically qualitative in nature,

 5. One particular extension was the inclusion of labour market in the frame of reference, which was left out of account in the papers by Bhaduri and Sau.

concerned with the nature of institutions and relations of the economy. The power and control of the landed class and their surplus are seen essentially in terms of their qualitative relations with other 'parties' in various markets. At the quantitative level, it is only certain rough orders of relevant magnitudes that are gone into, giving a sort of basic 'support' to the qualitative arguments. They do not come in by themselves and are wholly subservient to the primary, qualitative level of discussion.

Second, by the very nature of our organisation of the subject matter, the study itself assumes largely the character of a series of type-studies, or case-studies, of the land, labour, credit and product markets of a particular backward agricultural economy, building up into a type-study or case-study of the economy as a whole. Seen from a methodological standpoint, the primary objective in each case is simply a proper description of the empirical domain concerned. In this, the broad 'ends' of the description itself appear as certain recurrent 'themes' of discussion running implicitly all through, without entailing any strict prior 'framing' of the discussion as such. This leaves us free to design the structure of discussions with respect to each market afresh in the light of its own specialities and peculiarities which, we believe, is quite essential for a

proper empirical description of the subject matter at hand. We have already introduced the broad 'themes' of our discussion. We may merely group them as consisting of the 'themes' of the 'power and control' of the landed class of our economy and their methods of 'surplus extraction' on the one hand and the 'modes of inter-relation' of the markets concerned on the other. As already clarified, an attempt is made to see to what extent the latter is really 'integrated' into the former which remains the more basic theme.

Let us add here that we get to the second theme, the modes of inter-relation, only with our study of the labour market of our economy, reported in chapter 4 below. We do not come across any 'inter-relations' in the primary market of our reference, the land market. In other words, the modes of inter-relation we do come across have the land market only as the 'basis' or 'source' of inter-relations, relating the labour, credit and product markets to the land market in particular ways, not the other way round.⁶

There are also modes of inter-relation not involving the

 6. This is perhaps a very general feature of any backward agricultural economy expressing ultimately the fact that the only basis of surplus extraction which is properly integrated in its basic structure remains land. We shall not, however, argue about this in a priori theoretical terms and simply leave the proposition as an 'empirical' one.

land market at all.

Finally, it is to be stated that at the time we had conducted our field survey a supposedly far-reaching⁷ land reform act (The Karnataka Land Reform Rules, 1974) had just come into being. We had originally planned to include effects of this act on the structure and inter-relations of our markets within the study. As it turned out, there was little information regarding the effects of the Act as such that we could get to through the field survey. This is perhaps to be expected in view of the long-run nature of any effective land reforms programme. There was also an earlier land reform act passed by the state (Land Reforms Act of the State of Mysore, 1961) which had left little impact on the basic structure of the economy. Be these as it may, we may just admit that the study given below refers to a 'state' of the economy which does not bear the imprint of the land Reform Act (1974) -- Only time will tell whether or not there were any 'imprints' to be studied at all.

7. For a study of the impact of this Land Reforms Act, see Manor (1980).

1.2. AN OUTLINE OF THE FIELD SURVEY

The broad objective of our field survey was to collect information on the 'structure' of our markets in the sense of both its demand-supply parties and the institutional arrangements. This included various qualitative aspects regarding the participation of individual parties in the market, the relation between the two sides of the market and the terms and conditions of the contract established in it.

Our pilot survey, conducted in July-August 1975, covered only the land, credit and product markets. The inclusion of the labour market in the overall scope of our study -- and hence in the final survey -- was basically a response to a 'gap' we felt at the time of conducting the pilot survey.

A second important lesson we learnt from our experience of the pilot survey was as follows: Within any particular village, we sought to obtain information regarding the structure of its markets through both a village level questionnaire (VLQ), the respondents for which were villagers we came across in the usual 'meeting places' in the village (e.g., a tea shop, the bus stand, a barber's shop etc.), and an intensive personal interview (IPI) of individual parties or participants in the markets.

Increasing the number of respondents for the latter obviously generated a larger volume of information regarding the parties themselves, i.e., the respondents, but not regarding the 'relations' or 'terms and conditions' in the markets. By and large, the institutional arrangements for a particular market in a particular village belonged to a definite 'type', information regarding which simply tended to be repeated as we questioned more and more individual parties in it. Because the specific 'focus' of our survey was the 'types' themselves, we took care for the final survey to have a large number of villages within our sample frame as well as to restrict the number of respondents for the personal interviews to the 'minimum' necessary, so to say.

In our pilot survey, we visited five purposively selected villages, one each in the ghat section and the coastal belt and the remaining three in the interior parts of the district.⁸ For the final survey (conducted from mid-December 1975 to end of April 1976), we selected the villages for investigation through random sampling on the basis of the list of villages in the district census handbook for 1971. The exact procedure was as follows:

A priori, it was only the basically agricultural subsistence crop economy of the wide interior zone of the

8. These three 'zones' or 'regions' of the district are properly spelt out in Chapter 2 below (see pp 26-27). The villages selected were Sullia in the ghat section, Beejadi in the coastal belt, and Shiriyara, Ulthoor and Handadi in the interior parts.

district -- neither its commercialised economy of the coastal belt, nor its cash-crop economy in the ghat sections -- that belonged to the proper scope or domain of our study. Now, villages belonging to the coastal belt could be easily identified and taken out of the sample frame by the very geographical character of this zone which could be directly identified on the district map. Weeding out villages belonging to the cash-crop economy was not so simple, for the 'ghat section' could neither be directly identified on the map nor be ascribed the character of a cash-crop economy over its entire spread (see below, chapter 2, p 27). We went by the proportion of forest land in the total village area as a broad index of its economic character, and took all villages in the ghat section (as could be broadly identified in the map) with more than 50 per cent of forest land out of our sample frame.

This gave us a sample frame of 400-odd villages spread over 8 taluks. We took a simple random sample of 2 villages per taluk, giving us a total of 16 villages for investigation. It turned out at the stage of the actual investigation that 2 of these villages were given largely to areca-cultivation and thus belonged to a cash crop economy. We simply replaced them by 2 near about villages growing mainly paddy. However, one selected village

situated 'near' the coastal belt was found to have the characteristics of a village belonging to the commercialised economy. This was found out not at the very outset but through part of the investigations. We decided not to abandon the investigations but added one more village from the same taluk to the list of villages to be surveyed. This gave us a final total of 17 villages for survey.

For the actual information from the villages selected, we followed the same procedure as the pilot survey, having one VLQ and a set of IPI's for each village selected. Our main objective in the VLQ was to get an idea of the 'types' of arrangements prevalent in the village for each of our markets. Through informal conversations with villagers in the normal meeting places, we could get information not only on these but also on whom to contact in the villages for detailed information regarding these 'types'. The persons so identified were precisely our respondents for IPI. Thus, unlike the villages, the respondents in our survey were chosen on a purposive basis and not randomly.

We had only two sets of villagers as respondents in our IPI: tenants and agricultural labourers. The reason for this was as follows: Since independence, the state has enacted a number of laws ostensibly to regulate the 'functioning' of our markets in favour of the lower strata of the rural population. The Land Reform Acts, The Debt

Control Acts, Minimum Wages Acts etc., come immediately to mind. But as a large number of studies has conclusively shown, these laws have remained only on paper. In a situation like this, the upper strata of the rural population -- which consists basically of landlords, rich peasants, moneylenders and traders -- have developed sufficient political maturity not to divulge any accurate information on their transactions in these markets. The under-reporting of tenancy is a classic example.

This justifies the exclusion of the upper strata of the rural population for the purpose of selection of respondents. Within the lower strata, tenants and agricultural labourers came in by their direct identities in terms of the markets we sought to study. The only "class" that was left out was poor peasants.⁹ This was because there were no ways of clearly identifying poor peasants by reference to the markets studied. Information regarding them was therefore collected through VLQ, not through IPI. The same procedure was followed regarding the entire upper stratum. Thus, in our overall survey methodology VLQ served the purpose not only of defining broadly the 'types' of market arrangements and selecting the respondents for IPI, but also of giving relevant information about villagers other than tenants and agricultural labourers. Needless to add, these informations

9. By 'poor peasants' we mean marginal and small cultivators who own the land they till; they are not tenants.

were less precise and of a much more 'impressionistic' character than those pertaining to the tenants and agricultural labourers.

Now, tenants and agricultural labourers are identified directly by land and labour markets, and were the main sources of information for our study of the respective markets. Information for our study of the credit market was obtained in the main from tenants and agricultural labourers who were also 'borrowers' in the credit market. This point was already taken into account in the very selection of respondents at the stage of VLQ, and did not pose much of a problem. For the product market we confined our direct enquiries to tenants only, for we did not expect any agricultural labourers to be sellers of the produce. The tenants who actually sold were only small sellers, so that only a very limited and relatively minor part of the product market could be studied through them. We sought to redress this by a greater stress on general information regarding marketing at the VLQ stage. Still, the data base for our study of the product market remained altogether thin by comparison with the other markets.

Our 'interviews' with the tenants and agricultural labourers in our 'sample' were more in the nature of discussions about the village economy in general and their households in particular, rather than being 'question and

answer' sessions. Care was taken to collect from a respondent all the informations needed by us, but the procedure of 'ticking off' the answers against questions asked was strictly avoided. As far as possible, taking notes in front of the respondent was also avoided. The details of the discussions were noted down by us at the end of the day: As we interviewed not more than two respondents per day and as the informations collected were basically qualitative in nature, this did not pose any problems.

As stated earlier, we restricted the number of respondents to the 'minimum' necessary for the kind of informations we were seeking. The rough 'norms' for this were 2 tenants and 3 agricultural labourers per village surveyed. In actuality, there was a total of 40 tenants and 52 agricultural labourers in our sample.

Table 1 gives the names of the villages surveyed in the final survey, and the number of respondents contacted for IPI in each village.

TABLE 1 : MARKET PARTICIPATION OF RESPONDENTS FOR INTENSIVE
PERSONAL INTERVIEW (IPI)

Sl. No.	Village	Taluk	Number of tenants contacted	Number of agricultural labourers contacted	Number of borrowers among tenants contacted	Agricultural labourers contacted	Number of sellers among tenants contacted
1.	Angally	Coondapoor	2	5	2	4	1
2.	Halady	Coondapoor	3	4	3	4	3
3.	Harady	Udupi	2	4	2	3	Nil
4.	Heroor	Udupi	2	4	2	4	Nil
5.	Achlady	Udupi	3	2	3	2	2
6.	Pavoor	Mangalore	2	2	2	2	Nil
7.	Bajal	Mangalore	3	4	3	3	Nil
8.	Amunje	Buntwal	2	4	2	4	1
9.	Antady	Buntwal	2	3	2	3	2
10.	Mundkoor	Karkala	2	3	2	3	2
11.	Yerlapady	Karkala	4	3	3	2	3
12.	Kamminje	Puttur	2	2	1	2	Nil
13.	Kodimbady	Puttur	3	2	2	2	1
14.	Koyyuru	Belthangady	2	3	2	2	1
15.	Belthangady	Belthangady	2	3	2	3	2
16.	Balila	Sullia	2	2	2	2	Nil
17.	Muppiriya	Sullia	2	2	1	2	Nil
TOTAL			40	52	36	47	18

Note: Harady has the characteristics of a coastal village. Angally, Heroor and Bajal are villages adjacent to the coastal zone; Balila and Muppiriya have a substantial proportion of land under areca. Rest of the villages are interior villages 'proper'.

CHAPTER 2 : AN OUTLINE OF THE BASIC STRUCTURE
OF THE ECONOMY OF SOUTH KANARA¹

2.1. THE ECONOMY AND ITS REGIONS

South Kanara is the southern most district of the state of Karnataka in South India neighbouring on the state of Kerala on its south. It is a relatively narrow strip of land from north to south bounded by the Western Ghat hill ranges on its east and the Arabian Sea on its west. The land therefore has a high gradient from east to west. The whole district is criss-crossed by small rivers originating in the Western Ghats and meeting the Arabian Sea. The soil, excepting in the ghats, is the rich alluvial soil deposited by these rivers. The district gets plenty of rainfall from the heavy south-west monsoon from June to September, the normal rainfall being 3932 m.m. per year. While this provides an assured supply of water for the kharif crop, it also leads to heavy top-soil erosion much of which is drained off by the fast-flowing rivers and rivulets.

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1. The expression 'basic structure' of the economy is taken here in the institutional sense, referring to such basic structural characteristics of a backward agricultural economy as landholding, occupations and the modes of cultivation. This is to be distinguished from the conventional usage of the term referring exclusively to the 'structural' pattern of production. We have already set out the information regarding this for our economy in the opening paragraph of the thesis, to which we have nothing more to add here.

This sets out the basic topography of the district. As suggested by the description, the district can be divided into 3 broad 'zones' or 'regions' from north to south: a coastal belt on the west, a ghat section on the east and the interior in between.

The coastal belt consists of a narrow strip of densely populated low-land adjoining the Arabian Sea. This belt is about one village 'thick' between the sea and a national highway (NH-17) running in the north-south direction across the district. As mentioned at the outset of the study, this 'zone' gives the impression of an 'advanced', 'commercial' region on account of a high incidence of trade and commerce, banking etc. From a strictly agricultural standpoint however, this zone is a 'continuation' of the interior zone in being devoted basically to paddy cultivation. Its only 'special' crop, so to say, is cocoanut which is grown extensively along the coast.

The ghat section includes the part of Western Ghat hills of South India that falls within the boundary of the district as well as the land adjacent to it. The area is rich in evergreen forests and has low population density. As pointed out at the beginning, this 'zone' has the characteristics of a cash-crop economy, the principal crop being areca. The other cash crops of the zone are

pepper, rubber and, on a small scale, cardamom. It is to be stated here that while the foothills of Western Ghats appear to be suitable to the cultivation of these crops and while the crops are in fact grown over the entire 'zone', they constitute the principal crop only in the southern part of the zone. There are large tracts of agricultural land in the northern parts where paddy remains the major crop. The 'zone' as a whole therefore has a somewhat mixed character.

The middle belt represents the largest area and will be our principal concern. It is not plain land but consists of a series of low lands separated by hill ranges projecting from the Western Ghats. This is a purely agricultural region devoted mainly to the raising of the subsistence crop, paddy. There is however, also some cashew cultivation, particularly in one or two areas of the zone. The density of population in this zone lies in between those in the other two zones.

The 'zones' described above represent a 'regional' or 'geographical' division of the district, and do not coincide with its internal administrative boundaries. We shall however often have to refer to the administrative units of the district, viz., its taluks, for various descriptions. There are 8 taluks in the district: Mangalore, Udupi,

Coondapoor, Buntwal, Karkala, Belthangady, Puttur and Sullia. Their rough correspondence with the 'zones' are as follows:

The coastal belt consists of parts of the first three taluks. The remaining parts of the first two taluks fall in the interior zone, while the third taluk is spread over all the three zones. There is only one taluk, Buntwal, which falls entirely in the interior zone. Of the four remaining taluks, three (Karkala, Belthangady and Puttur) straddle between the interior zone and the ghat section although the third one, viz., Puttur, falls mostly in the ghat section. The last one, viz., Sullia, falls entirely within the ghat section.

As mentioned earlier, it is only the southern part of the ghat section which has the cash-crops as its major crops. This part coincides roughly with the two taluks of Sullia and Puttur. Thus the part of the ghat section falling within Coondapoor, Karkala and Belthangady taluks has paddy as the major crop and has more common features with the interior than the southern part of the ghat section which in turn can be called the ghat section 'proper' of the district.

2.2. PATTERN OF LANDHOLDING

2.2.1. Traditional Landlords

We have touched upon the basic characteristics of the 'traditional landlords' of our district at the very outset of our thesis. Our purpose here is simply to elaborate upon some of these characteristics relating specifically to their landholdings.²

Traditional landlords belong exclusively to the Bunt and Jain communities of the district. The basic indigenous landholding community appears to be the Bunt community who are the traditional warrior caste of the district. The Jains are supposed to be converts from Bunts and appear to be concentrated in the two taluks of Karkala and Belthangady. In all the other areas the main traditional landlords are Bunts.

The 'family' holdings of traditional landlords can be very big indeed, ranging from say, fifty acres to a

2. Landowners in South Kanara are known as Wargadars. The 'estates' which they own are called Wargs and the holdings in a Warg can be distributed in a large number of fields and may be situated in more than one village. Within this, there is a number of variations in the pattern of landownership over the district as a whole. See George, P.T. (1970).

few hundred acres generally spread over a number of villages.³ This is to be seen in relation to certain peculiarities of an indigenous inheritance system prevalent in the area. Let us give some details of it.

This is a matrilineal system of inheritance known as Aliya Santhana in the area, which actually applies by tradition to all 'natives' of the area, not just the Bunts and Jains. In this system, the property rights of an individual are derived through his mother and cannot be transmitted to his children, but devolve upon his sister's children.⁴ The joint family, known as manethana, includes all the living descendants in the female line of an original ancestress and it is this manethana as a whole which is in possession of the land as well as other property, the 'control' of the estate being in the hand of the oldest male member of the manethana. This 'control' does not include the right to partition or sell the land, which requires the consent of all the female descendants in the manethana.

 3. The data provided by the District Statistical Office on distribution of ownership holdings for the year 1971 reveal a high degree of concentration of land in the district. The concentration ratio for the year 1971 was 0.61. The corresponding figure for the year 1956 was much higher at 0.72. Thus, there appears to be a substantial decline in the concentration of land in the district over the last two decades or so. This, we believe, is basically because of some amount of partition of land that has taken place within the dominant land-holding community rather than any genuine redistribution of land in favour of the lower strata of the rural population. Even by Government's own admission the implementation of the Mysore Land Reforms Act of 1961 was tardy: Hardly any redistribution of land took place. See, Government of Karnataka (1976).

4. Aliya = sister's son.

Thus it is clearly by their manethana that the traditional landlord families are very big landowners, and they often maintain big joint families. A significant factor in the size of their manethana or family holding is the very low incidence of 'partitions' by the very provisions of the inheritance system.⁵

The mode of cultivation of the land held by traditional landlords exhibits certain features of 'demesne' cultivation. A large 'estate' around the residence of the landlord is operated by the landlords themselves on the basis of hired labour and unpaid labour services provided by their tenants. The 'management' of these estates is often left to an outside 'manager' and not directly taken up by members of the family.

5. According to the 1961 Census "...Partitions among communities following the 'Aliya Santhana' law were practically unknown in the past. This had both advantages and disadvantages as some families got to such enormous sizes that management of the family assets created several complications. In order to obviate such difficulties attempts have been made from 1911 to introduce partition among these communities. In 1949, the Madras Aliya Santhana Act was passed so as to define and amend the law regarding marriage, maintenance, guardianship, intestate succession, family management, and partition applicable to the persons governed by the Aliya Santhana Law..." (District Census Handbook for South Kanara (1961); p (v) of the Introduction). The main effect of this Act appears to be that certain very big manethanas in the interior villages were broken up into 2 or 3 separate manethanas, all of which remained quite big by absolute standards. This is what we referred as explanation of the decline in the concentration ratio of landholding in the district in footnote 3 on p 30.

The remaining land accounting for the larger proportion of the total, is leased out to a large number of tenants sometimes going upto a hundred or so -- in various size categories, often upto 10 acres, say. There is therefore a very high incidence of tenancy in the district. The so-called 'degree' of tenancy, viz., the amount of land leased in as a proportion of the total amount of land operated, in the district is highest among all districts in the state, being of the order of 44 per cent, as compared to an average of 16 per cent for the state as a whole and 11 per cent for the whole of India. (See Table 2) While there is a large number of 'lessors' in the district other than traditional landlords, the bulk of this high degree of tenancy is clearly made up of the land leased out by traditional landlords.

2.2.2. Other Landowners

The pattern of agricultural landownership in South Kanara outside the traditional landlords is somewhat diffused. However, apart from some small and marginal landowners in the coastal strip, the land is held almost exclusively by members of the upper castes: Bunts, Jains and Brahmins. Let us begin with the broad group of upper caste landowners outside the traditional landlords, confining ourselves for the present to paddy land.

TABLE 2INCIDENCE OF TENANCY BY TALUKS IN SOUTH KANARA

Region	Per cent of total operated area under lease	Per cent of all operated holdings under lease
Taluks of the district		
Mangalore	54.33	59.41
Udupi	44.99	50.58
Coondapoor	38.09	58.04
Buntwal	59.22	71.39
Belthangady	54.72	64.59
Karkala	48.24	54.14
Puttur	28.47	40.85
Sullia	9.33	18.71
The district as a whole	43.62	54.35
The state as a whole	15.90	N.A
The Country as a whole	10.57	N.A

N.A. = Not Available

Source: Census of Agricultural Holdings
in Karnataka, 1970-71.

The single most important characteristic of landholding by this 'group' is the limited range of variation of the holding size, which is usually in a 'medium range'. There are also 'small' holders and rarely, 'marginal' holders.⁶

The Bunt and Jain holders are to be found mostly in the interior parts of the district, and may have come about through a process of subdivision of an original manethana of a traditional landlord. They remain basically 'agriculturists' by occupation, though not always 'landlords' in a proper sense.

By contrast, the Brahmin landowners are generally dispersed over the whole district, they themselves being major landholders in the coastal section. They are also often not 'agriculturists' by occupation and have rather variegated major professions or occupations. It may be mentioned here that unlike Bunts and Jains, Brahmins as a

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6. In view of quality variations of land and other factors, any specification of 'marginal', 'small' and 'medium' landholders in terms of their holding size in acres can be only very rough. Since the whole object of our study is broadly qualitative in nature, we need not be very precise about the respective size-classes. To fix the rough orders of magnitude, we can take the typical holding-size for the categories to be, say 0-1 acre, 3-4 acres and 8-10 acres respectively as some sort of notional averages. We may call attention here to the fact that the 'big' holdings we talk about in connection with traditional landlords are all above 50 acres or so. Obviously, the whole distinction between 'big' and 'small' is lost if thought of purely in terms of the size-distribution of holdings.

caste are not supposed to be 'natives' of the district, having supposedly migrated to the area sometime in the distant past. They are not subject to the Aliya Santhana system of inheritance either.

As is to be expected from the range of landholdings in our 'group' it is characterised by a general mix-up of various modes of cultivation, as given by self-cultivation vs leasing out of land, and family labour vs hired labour. There is thus a significant number of 'lessors' and 'employers' in this 'group', but no 'big' lessors or 'big' employers. We shall get to some details of their land lease and employment in the land/^{and}labour markets respectively.

As mentioned, lower caste agricultural landowners are to be found mostly in the coastal strip. The reason for this appears to be that it is only here that there are some sources of income other than agriculture for the lower strata of the population. It is therefore possible that some members of the lower castes could accumulate a small saving and convert it to land. Most of these lower caste owners appear to have their major source of income from fishery. The land they own is cultivated by them on the basis of family labour but more often than not, this does not suffice for their living and hence they are often agricultural labourers or small tenants.

Outside paddy land, it is necessary to give an account only of the land devoted to areca-cultivation, i.e., the so-called 'areca gardens'. There are big areca gardens in Sullia and Puttur taluks. Almost all such gardens are owned by members of a particular section of Brahmins known as Havyaka Brahmins.⁷ They are agriculturists proper and cultivate the gardens on their own employing a substantial amount of hired labour for this purpose.

2.3. CASTES AND OCCUPATIONS

We have already talked at length about upper castes (Brahmins, Jains and Bunts) in relation to the pattern of landholding in our district. Bunts and Jains remain basically agriculturists though of late there appears to be an unmistakable trend towards their diversification into certain non-agricultural activities like tile and brick manufacturing, clay contracting etc.

The Brahmins, we noted, are more variegated in their professions. This is basically accounted for by the rather high degree of 'tertiary' activities in the district, mentioned at the outset of the thesis.

7. It is popularly believed in the area that only a Havyaka Brahmin knows all the 'intricacies' of raising an areca garden.

One particular section of Brahmins, known as Gowd Saraswat Brahmins, virtually control the entire sphere of trade in the district at all levels from petty shops to large-scale organised trading activities.⁸ A significant proportion of these Brahmins are absorbed in these activities, particularly in the coastal strip which, we have already noted, exhibits features of an advanced, commercialised region.

The Brahmins are also the 'elite' community, so to say, almost monopolising such professions as teaching, medicine, engineering etc., and services in organised banking and commerce. Mention is to be made here of the high degree of literacy in the district accounting for a relatively large number of jobs in educational institutions.⁹ There is also a very high incidence of organised banking in the district¹⁰ which again creates a large number of jobs in the banks.

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8. The only exception appears to be the existence of a Muslim community in certain pockets of the district with significant participation in local trade. The pockets occur mostly in Sullia and Puttur taluks in the ghat section. Even in these areas, Gowd Saraswat Brahmins appear to retain their stronghold on large scale trade.
 9. The degree of literacy for the year 1971 in the district was 43.45 per cent, as compared to 31.52 per cent for the state as a whole.
 10. For details see chapter 5, p 144.

So much for the occupational pattern of the upper castes. Let us now turn to the lower castes in the district. The major lower caste communities in the district are the Mogaveeras (fishermen) and Poojaris or Bhillavas (toddy-tappers). The bulk of the landless tenants, poor peasants and agricultural labourers come from these castes. These castes are also supposed to be 'natives' of South Kanara and they follow the Aliya Santhana system of inheritance.

There is also a sizeable community of Harijans (Scheduled Castes) in the district. Like the Brahmins, they are also supposed to be immigrants into the area and are settled all over the district. In the interior parts and the ghat areas the Harijans are found as 'domestic servants' and 'agricultural labourers', but their sole livelihood in the coastal belt appears to be menial jobs. Nowhere are they found to be 'cultivators', either as tenants or as peasants.

Finally, there is a number of small tribal communities in the district known as Kudbis, Gowds etc. These tribals are mostly tenants or agricultural labourers. In Sullia taluk, Gowds carry out shifting cultivation -- known as Kumeri in the area -- on a small scale.

This gives a fairly complete picture of 'castes and occupations' in the district, so far as the primary occupations are concerned. As pointed out at the outset, there is virtually no modern or large scale industry in the district. Recently a fertiliser factory was established in the district head quarters, Mangalore. There are also some cashew processing units in Mangalore and some tile factories in small towns. While some employment is provided by these and other sundry manufacturing units, there is no industrial work force worth the name in the district. The subsidiary occupations available to the lower strata of the population also span a limited range.

The most extensive of these is beedi-rolling which is carried out throughout the district as a household activity in line with a 'putting-out system'. Fishery is carried out on a significant scale in the coastal area but is not a perennial activity as it has to remain suspended during the monsoon months. The other major subsidiary occupations appear to be toddy-tapping, shell-picking, clay-work and timber-work.

2.4. STATE OF CULTIVATION (PADDY)

2.4.1. Irrigation and Technology

Going by official statistics, South Kanara is a relatively well irrigated district, the proportion of

the net area sown that came under 'irrigation' being 41.74 per cent as against the state average of 11.70 per cent for the reference year 1972-73.¹¹

It is clearly necessary to see this in terms of the 'quality' of irrigation. Going by the same official statistics, 26.19 per cent of the net irrigated area was accounted for by "wells", 12.97 per cent by "tanks" and the rest, i.e., 60.84 per cent by "other sources", viz., lift-irrigation from rivers and landlogged waters of the heavy monsoon. All this is private irrigation, there being no major or medium irrigation projects in the district. Canal irrigation is totally absent. (See Table 3).

All the modes of irrigation in the district are clearly dependent upon the monsoon for their basic source of water. Their main effect may be said to create conditions for growing a second crop besides the kharif crop which, as already noted, is grown on the basis of rain water.¹² The actual pattern of cropping intensity in the district is rather complex and is taken up separately. Let us just mention here that in the coastal belt rain

11. See Bureau of Economics and Statistics, Karnataka (1975), p.76.

12. According to the data provided by the District Statistical Office, paddy under rabi and summer crops accounted for 32 per cent of the gross cropped area under paddy for the year 1973-74.

TABLE 3 : NET AREA IRRIGATED BY SOURCES FOR SOUTH KANARA AND KARNATAKA, 1972-73

Region	Net area irrigated as a per cent of net area sown	Area irrigated by different sources as a per cent of net area irrigated					
		By canals		By tanks	By wells	By tube wells	By other sources
		Govt.	Private				
South Kanara	41.74	Nil	Nil	12.97	26.19	Nil	60.84
Karnataka State	11.70	37.78	0.15	31.56	21.49	0.07	8.95

Source: Bureau of Economics and Statistics (1975), p.76.

water cannot be used for cultivation outside the monsoon months owing to high salinity. The cultivation in this zone is basically dependent upon rainfall which suffices only for a single kharif crop and hence rabi and summer crops are grown only on a small scale on the coast. Thus there is more than one crop in the district on any significant scale only over parts of the interior.

At the outset of the study we pointed out that the agricultural technology in the district is 'primitive' with little use of modern inputs like HYV seeds, chemical fertilizers etc. The position of the district in this respect is set out against the overall state position in Table 4 which clearly bears out the proposition made. This appears to be related to the nature of water availability for cultivation, whether from rainfall or from irrigation. Though impressive in total quantum, the water available can hardly provide the basis for the kind of 'controlled' use of water that is required by 'modern' technology. A second technical factor behind the low level of technology in the district is the total absence of any soil conservation measure, the basic "need" for which is clearly underlined by the topography and climate of the district.

2.4.2. Cropping Intensity

The pattern of cropping intensity in the district as a whole can, it appears, be represented by five broad cropping systems.

TABLE 4
PERCENTAGE OF AREA UNDER IMPROVED AGRICULTURAL
PRACTICES FOR RICE CROP IN SOUTH KANARA AND
KARNATAKA STATE, 1974-75

Region	Percentage of area under improved seeds		Percentage of area under chemical fertilisers		Percentage of area treated by insecticides	
	Khariif	Summer	Khariif	Summer	Khariif	Summer
South Kanara	5.96	37.07	6.85	73.81	3.43	28.89
Karnataka State	14.52	57.66	33.66	86.15	11.84	28.07

Source: Bureau of Economics and Statistics, Karnataka (1977); pp 94-95 and pp 272-273.

The first of these is simply the raising of a single crop, viz., kharif, known as khathi or anelu in the district. For reasons explained earlier, most of the agricultural land in the coastal belt comes under this system. A substantial part of the land all over the interior belongs to this category.

In the second system, the operational holdings consist of a 'low land' and a 'higher land'. The former gets inundated during the heavy monsoon making it unsuitable for the kharif crop, and is devoted to a winter crop, known as suggi in the area. In effect, only one crop is raised on any plot of land in this system, although there are two harvests in the year. The kharif harvest on the higher land comes around mid-October and the suggi crop on the low land comes between end of December and mid-January.

In the third system, a kharif crop is raised on all the land, while a summer crop, known as kolke, which is harvested around mid-March, is raised on part of the land. The intensity of cropping is higher in this case than in the first two. This system is prevalent in parts of Udupi taluk.

The fourth system has the maximum cropping intensity of all. Here a kharif crop is raised on all land, but

this crop comes in two instalments. The first instalment, known as mumbelasu, is the minor one and is harvested around mid-September. The major kharif harvest, known as himbelasu comes around mid-October. The winter crop (sugji) is raised on the area devoted to mumbelasu and the summer crop (kolke) on the area devoted to himbelasu. This system is in prevalence in well irrigated parts of Udupi and Buntwal taluks.

The fifth system, again prevalent in well irrigated parts of Udupi and Buntwal, is the one where both paddy and cash crops like sugarcane or chilly are raised on a plot of land: A kharif crop of paddy is raised on the land. The next crop would be either chilly or sugarcane. In case of chilly as the second crop, the land would be available for paddy cultivation in the next kharif season. In case of sugarcane as the second crop, the crop being of 10-month duration, the land would not be available for the next kharif season for paddy. After the sugarcane harvest is over (around December), chilly is grown on the land and a kharif paddy is grown after that. The crop pattern in this case would be paddy-sugarcane-chilly-paddy, starting and ending with paddy as a kharif crop.

CHAPTER 3LAND MARKETINTRODUCTION AND OUTLINE

An indigenous system of tenurial arrangement known as chalgeni is widely prevalent in South Kanara, covering, it appears, all lease of paddy land in the district, at least in the interior. We shall therefore limit our study of the land market to this form or system of tenancy, making only incidental references to the other forms for comparisons and contrasts. Let us however point out right at the outset that although we often speak of chalgeni tenancy as a 'system' its defining characteristics are not at all clear. In fact, there are wide variations within the 'system' so that it serves mainly the purpose of defining an empirical boundary rather than a 'system' in any well defined sense. While this poses problems of descriptions, it also enables us to pursue the basic objective of our study of the land market in South Kanara in a particular manner described below.

The land market, as mentioned, is the most 'basic' of all our markets. It defines the primary field of market involvement of the landed class in a backward agricultural economy. Our basic objective in this chapter is to see how the power and control of the landed class in our economy comes out through the functioning of this market, which also defines the forms and mechanisms of surplus extraction by

them from within the market. Given that the landed class has a clear and definite core in the 'traditional landlords' of the district, this suggests a basic divisioning of the market on its 'supply' side, one division consisting of traditional landlords as lessors and the other division of lessors other than traditional landlords, whom we may for convenience call 'non-traditional' landlords.¹ The particular manner in which we can pursue our basic objective is then simply to see in what way, if at all, the 'variations' within the tenancy system are related to this basic division of the market. This is clearly an attempt to capture the power and control of the 'core' of the landed class at a 'differential' level, so to say. At the 'general' level, it is expressed in the functioning of the market as a whole, and that remains our basic 'object' of study (There are many outside a priori 'standards' for judging this).

Now, a priori, the functioning of the land market, or the terms and conditions of tenancy, is a matter of the relative strength of both sides of the market, not just the

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1. We hasten to add that not all of these 'other lessors' are landlords proper in any strict economic or social sense. Nevertheless, there appear to be no lessors of land in South Kanara, who are 'small' or 'marginal' ~~landowners~~ leasing out their land to 'bigger' parties on grounds of economic compulsions, as is sometimes the case in some other parts of the country. (See, e.g., Bhalla (1977), Nadkarni (1976) etc). Generally, the lessors, 'big' or 'small' in absolute terms, are all 'big' as compared to their respective lessees. Hence from a strictly relational point of view, the designation of all lessors as 'landlords' is not totally inappropriate.

supply side. This requires us to begin with a systematic account of landlords and tenants in our economy (Section 1), which is a direct continuation of our description of the 'pattern of landholding' ^{and} 'modes of cultivation' in our economy as given in chapter 2.

Our concern in section 2 is with the 'broader' aspects of the tenancy relation centering around the rights of the landlords and tenants. While the relevance of this for our basic objective is self-evident, there are obvious limitations to a discussions of rights per se, as per the provisions of the lease-contract, i.e., in 'legalistic' terms. One general limitation is simply the absence of a written record of a lease-contract, which is generally the case in South Kanara as in many other parts of India. It is also obviously necessary to see how the tenancy relation works out in practice, which is where after all the a priori rights ultimately get expressed. This is included within the scope of our discussion in section 2.

Section 3 is given to a study of the systems of payment of rents in our economy, organised in terms of the three classic forms of rent, viz., kind, cash and labour. It is to be mentioned here that land is invariably leased out on the basis of fixed rent in the district; there is no share-cropping system of tenancy. This is true of all forms of tenancy, not merely of chalgeni tenancy. The entire cost of

cultivation too is borne by the tenant who organises the production on his own. This simplifies the range of issues falling within the statement of the system of payment of rents, which concerns basically the form in which rent is fixed and paid, with the associated conversion rules, and the timing of rent payment.

The final section (section 4) of the chapter is an exercise in the estimation of the landlord's share in the total produce of land leased out, based partly on our field survey data and partly on extraneous informations. This is purely quantitative in nature and does not quite fall within the scope of our study. It is also very 'slender' by the very nature of materials we have at our disposal. The exercise is included partly because of its obvious relevance to our basic objectives and partly to make some effective use of the data on the amounts of rent paid by tenants that we could collect in our field survey.

3.1. LANDLORDS AND TENANTS

3.1.1 Traditional and Non-traditional Landlords

We have already talked about the traditional landlords of the district at length, to which we have nothing more to add here. Our non-traditional landlords are all included in the category of landowners other than traditional landlords as described in chapter 2. Hence we can begin our discussion of them as a direct continuation of the discussion in chapter 2,

section 2.2.

We have seen in chapter 2.2.2 that all landowners other than traditional landlords are marginal, small and medium owners. The lessors among them are to be found mostly in the 'medium' size-class, of say, 10-12 acres of landholding. They almost exclusively belong to the upper castes and can be represented as a group by Brahmins who are the majority holders among them. Their typical mode of cultivation is part leasing out of land and part self-cultivation hiring in some labour.

These are all straight forward spelling outs of characteristics of non-traditional landlords given in an implicit form earlier. Let us now turn to a point of some distinction within the group which also has its beginning in an earlier point of discussion, viz., the variegated professions of the Brahmins as a community, including landholders. The distinction we have in mind is that between absentee and resident landlords.

The absentee landlords are found mostly on the coastal belt. They often stay in big cities like Bangalore where they have alternate occupations in various professions, hotels etc. The landlords have houses in the village in which they own land. Either some members of the household stay in the house or it is looked after by a trusted servant in the landlord's absence. The landlord usually keeps a portion of the

land owned by him for 'self-cultivation', which is used mostly for the kharif crop only. Often the landlord comes to the village only to raise this crop, without usually having to stay for the entire season. Thus, his connection with the village economy is very tenuous.

Unlike the absentee landlords, the resident landlords are to be found over the whole district, on the coast as well as in the interior and ghat villages. With a substantial proportion of these landlords, leasing out of land again appears to be a subsidiary source of income, the major source being a job in the bank, school or college in the area. This is especially so on the coast, where the number of schools, colleges and banks are very high, as already noted. In the interior on the other hand, leasing out of land seems to be the primary source of income with a good proportion of these landlords.

In Buntwal, Karkala and Puttur taluks, some wholesale traders are also landlords, some of whom are millers as well. They usually carry on their trading operations in the taluk headquarters, this being their main concern. These landlords, being 'urban based', have again rather tenuous connections with the village and have 'landlordism' only as a 'secondary' occupation.

As noted earlier, the big landowners in the ghat sections of Sullia and Puttur taluks concentrate on areca

cultivation and belong to one particular section of Brahmins. While the areca gardens are rarely leased out, the owners also own some paddy land which is leased out, often entirely. This is because of the constant supervision required all through the year for areca cultivation. However, such land leases play only a marginal role in the 'economy' of the zone (see table 2, p. 33). It is certainly not the major source of income for the landowners. Incidence of tenancy being low in the area, the landlord - tenant relationship tends to recede to the background in this area, the dominant relation being the employer-employee or producer-worker relation.

This completes the basic description of non-traditional landlords. Let us end our discussion with the general point of the whole distinction between traditional and non-traditional landlords. Given that ownership of land provides the basic source of power and control in a backward agrarian economy, it is but natural that the control exercised by the traditional landlords over the economic, social and political life of the village is enormous. Apart from their control over land - and over the markets to be studied - these landlords also control local institutions like the panchayats, taluk boards etc. Many of the legislators from the area belong to these communities.² The power and control of non-traditional 'landlords' is nowhere near this. For these 'landlords'

 2. Some of the more powerful landlords belonging to these communities were virtually a law unto themselves in the

(contd)

ownership of land is not so much a source of economic and political power, as of income, which too is very often a subsidiary source. With a substantial proportion of them the primary occupation lies outside agriculture. This is perhaps the basic factor which forces them to lease out part of their land.

3.1.2 Tenant Characteristics and Classifications

The power and control of the landlords within the land market depends upon the positions of both sides of the market, not just the supply side which we have discussed so far. This is the basic motivation for our present enquiry into the characteristics of tenants, and requires us to view the tenants basically from the standpoint of their bargaining strength. We shall therefore begin directly with some rough indicators of the bargaining strength on a priori theoretical grounds.

2. (contd)

area. We witnessed a 'court' being held by one of the most powerful landlords in the area - The Patel of Hayyar in Haladi village in the interior parts of Coondapoor taluk. The dispute was about the non-payment of rent by a tenant to a non-traditional landlord and the latter had brought the 'case' to this 'court'. The tenant was asked to pay the rent-with some concessions shown for the backlog (as it was due to crop failure). This, it is to be noted, when the Land Reforms Act of 1974 was in force in the district, which supposedly was to put an end to all tenancy arrangements! The political connections of this landlord were well known in the area and it was said that the police could not enter his village without his permission.

It is necessary to put in two observations before coming to this. First, as already indicated, tenants in South Kanara are mostly small and marginal cultivators. Hence their further characterisation is somewhat of a matter of detail. Second, our whole discussion of the bargaining strength of tenants is of very preliminary and partial nature. After all, the bargaining strength of any one side of the market stretches out to the whole power relation. We have to restrict ourselves to only such 'measures' of the bargaining strength as would be detected through a single field survey of the kind we undertook.

We have the following indicators of the bargaining strength of tenants.

We suppose that an owner-cum-tenant has a higher bargaining strength than a landless tenant. In the event of eviction, the former has something to fall back on, viz., the land he owns, whereas the latter has to join the army of already unemployed or underemployed rural labour force.

Secondly, a tenant who has leased in land from only one landlord may be supposed to have less bargaining strength than the tenant who leases in land from more than one landlord. In the case of eviction by one landlord, the latter can fall back on the land he has leased in from other landlord(s). Moreover, in case of multiplicity of claims by more than one landlord on a tenant for a service like unpaid labour (which has an element of 'first claim' in it), it would be difficult for any one landlord to enforce his claim.

Finally, the size of the operational holding of the tenant can also be taken as a rough index of his bargaining strength.

On all these three counts, tenants in South Kanara as a whole come out rather poorly. In our field survey we had a sample of 40 tenants belonging mostly to the interior zone. Out of these 40 tenants as many as 35 did not own any land. The World Agricultural Census for 1971 corroborates this: The number of operational holdings under owner-cum-tenants as percent of holdings under all tenants was only 14.57 per cent for the district as a whole. This percentage was higher for coastal taluks (Udupi and Coondapoor) as well as for ghat taluks (Sullia and Puttur) and was very low for interior taluks (Buntwal and Belthangady). (See table 5)

Of the 40 tenants in our sample, the majority (25) leased in land from only one landlord. Finally, the operational holdings of majority of tenants also belonged to the small and marginal size-classes. Of the 40 tenants, 13 could be classified as marginal (less than 2.5 acres of land), 17 were small (2.5-4.99 acres) and 8 medium (5.00-9.99 acres). Only 2 tenants could be classified as big tenants (more than 10.00 acres). The World Agricultural Census data for 1971 again corroborate this (See table 6).

TABLE 5: LANDLESS AND LANDOWNING TENANTS
BY TALUKS IN SOUTH KANARA

Region	number of operational holdings of landless tenants as per cent of all operational holdings under lease	Number of operational holdings of owner-cum-tenants as a per cent of all operational holdings under lease.
Taluks of the district		
Mangalore	89.22	10.78
Udupi	80.83	19.17
Coondapoor	76.01	23.99
Buntwal	95.56	4.44
Belthangady	94.62	5.38
Karkala	88.73	11.27
Puttur	83.93	16.07
Sullia	79.66	20.34
District as a whole	85.43	14.57

Source: World Agricultural Census, 1971; data provided by Bureau of Economics and Statistics, Karnataka.

TABLE 6: DISTRIBUTION OF TENANT-HOLDINGS (OPERATIONAL)
 BY TALUKS IN SOUTH KANARA

Region	Proportion of marginal holdings (0.01-0.99 hectares)	Proportion of small holdings (1.00-1.99 hectares)	Proportion of medium holdings (2.00-3.99 hectares)	Proportion of big holdings (4.00 hectares & above)
Taluks of the district				
Mangalore	50.94	33.32	14.05	1.69
Udupi	51.01	30.28	15.37	3.34
Coondapoor	62.12	21.26	12.12	4.51
Buntwal	37.66	37.17	20.45	4.72
Belthangady	39.10	37.88	19.70	3.31
Karkala	23.42	32.19	31.30	13.08
Puttur	43.84	34.19	16.96	5.01
Sullia	55.00	25.34	13.73	5.93
District as a whole	46.02	30.83	18.00	5.14

Source: World Agricultural Census, 1971 data
 provided by Bureau of Economics
 and Statistics, Karnataka.

3.1.3 Landlord - tenant Cross-relations and Summary :

Our direct objective here is to see whether there exists any significant cross relation between different 'types' of landlords and tenants in the district. We have to begin by pointing out that from an a priori standpoint it is perhaps only the traditional landlords who make up a clearly well defined 'type'. Non-traditional landlords are a much more diffuse group, but still have a number of common characteristics. On the tenant side, however, we have only talked about certain rough indicators of their bargaining strength and used these for classifying the tenants in our sample. Significant 'types' as such have not been defined. Thus the expression 'type' is used in a rather loose sense in the case of tenants.

For the purpose of our exercise in this section, we have to begin with a fresh classification of tenants by the source of their leased-in-land. Out of the 40 tenants in our sample, 14 had leased in land only from traditional landlords, 23 only from non-traditional landlords, and 3 from both traditional and non-traditional landlords. For facility of reference, let us designate these 3 groups of our tenants as groups I, II and III respectively.

With this, one can begin on the 'cross-relations'. We have already seen that the majority of our tenants (a) do not own any land, and (b) belong to the small and marginal group.

It is therefore clear that both traditional and non-traditional landlords leased out their lands to this 'type' of tenants (defined by (a) and (b) above). It is interesting to note however that all the 5 tenants who owned some land - i.e., the owner-cum-tenants - had leased in land only from non-traditional landlords, i.e., they belonged to group II. The group I tenants, i.e., the tenants of traditional landlords were all landless. This appears to be an additional factor in the greater cleavage between the traditional landlords and their tenants compared with that between non-traditional landlords and their tenants.

Let us continue with the cross-relations taking now the types of tenants to be as given by the number of their landlords. We have seen that only 3 out of 40 tenants had leased in land from both traditional and non-traditional landlords whereas quite a substantial number (15) had leased in land from more than one landlord. It follows that 12 tenants had leased in land either from more than one traditional landlord or from more than one non-traditional landlord. In point of fact, only one had leased in land from more than one traditional landlord³ and the rest (11) had leased in land from 'more

3. He had in fact leased in land from two traditional landlords. Both these landlords belonged to the same household - or manethana - at an earlier time. The manethana got subdivided into a number of 'households' in the mid-sixties. This appears to be the reason why even this single tenant had two traditional landlords.

than one non-traditional landlord. Thus, excepting for the 4 cases, all tenants of traditional landlords had a single landlord each. Conversely, all but 4 traditional landlords had tenants who did not have any other source of land, either by ownership or by lease.

The explanation of the above phenomenon appears to lie basically in the relative sizes of ownership and operational holdings. Given the huge ownership holdings of traditional landlords, they can lease out land to a number of marginal, small, medium or even big tenants, mostly in compact blocks. The tenant can often manage to lease in a holding of a certain 'minimum size' from only one traditional landlord.⁴ Given the range of ownership holdings of non-traditional landlords (8-10 acres) and the fact of a part (typically 'half') of it

4. All the tenants - whether of traditional landlords or non-traditional landlords - told us that they would have to take the 'permission' of their landlord(s) before leasing in land from another landlord. However, none of the tenants who had leased in land from only one landlord 'thought' that the permission would have been refused if they wanted to lease in land from another landlord. But the impression we gathered from informal conversations with some landlords was that a traditional landlord discouraged his tenants from leasing in land from other traditional landlords, if any, in the village, because that would have created a situation where there would be a multiplicity of claims on a tenant's unpaid labour services - Enforcing the first claim in that case would be a problem.

being retained for self-cultivation, a lessee from such a lessor would often have to supplement his lease from this source by leases from similar other sources. Another factor that enters into this phenomenon is that the land owned by these lessors is often fragmented into a number of disjoint plots. In general, the tenants can have a 'compact holding' of a 'minimum size' only by leasing in small fragments from different lessors, which are adjacent or close to one another.⁵

This concludes our observations on the cross-relations obtaining between the 'types' of landlords and tenants. On the landlord side there is a clear and sharp division between the two groups, traditional and non-traditional, with the former exerting a strong control over the economy. On the tenant side, by contrast, general uniformities may be said to prevail over points of variation so far as their bargaining

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5. There is an interesting variation within this pattern. It was observed by us that from among the non-traditional landlords, resident ones leased out their land mostly to tenants with more than one landlord, and absentee ones usually to tenants with only one landlord. A very tentative explanation for this observation can be the following: The former keep a substantial proportion of the land for 'self-cultivation' and lease out small, fragmented plots away from home for operational reasons. It is likely that in such a situation the tenant would try to lease in land from other sources to have a compact holding of a 'minimum size'. The absentee landlord, on the other hand, would lease out a larger portion of his land, and purely for operational reasons like rent collection etc, would prefer to do so to not more than one or two tenants, which perhaps, would provide holdings of a 'minimum size' to these tenants.

strength is concerned. It follows that the basic structure of the market as a whole is given by the structure on the supply side, i.e., the market itself can be divided into a traditional sector consisting of traditional landlords and their tenants, and a non-traditional sector consisting of other lessors and their tenants. There is no strict separation between the two on the tenant side, but the overlap is sufficiently small to warrant this as a broad divisioning of the entire market across the two sides. On purely a priori grounds, the power and control of landlords over tenants in the first 'sector' is much higher than in the second 'sector'

The greater cleavage between landlords and tenants in the traditional sector than in the non-traditional sector is strengthened by two elements of variation on the tenant side we have already noted. Traditional landlords by and large, lease out only to tenants who have no other source of land, either by ownership or by lease. This is not so with the non-traditional landlords. To some extent this may be modified by the fact that the tenants of traditional landlords often have larger operational holdings than tenants of non-traditional landlords. But this does not affect the general proposition that just as the pattern of landownership in the district has a strong 'core' in the traditional landlords, so also the land market has strong 'core' in the traditional 'sector' as a whole.

3.2 BROADER ASPECTS OF THE TENANCY RELATION

Chalgeni tenants, known as chalgenigaras are tenants-at-will. As far as we could find out from general enquiries, their a priori rights (or the absence of it) are as follows:

The chalgenigaras cannot mortgage or sub-lease the land leased in,⁶ or pass on the tenancy to their inheritors. There is no stipulation against rent revisions by the landlord. In the case of termination of tenancy, the tenant is not entitled to any compensation for improvements he may have made on the land leased in.

These appear to be the 'general' features of the system, regardless of whether a lease-record exists or not. From general enquiries we found that a recorded lease-contract when it exists, was usually subject to an annual renewal. In some cases, however, the renewal could come up every third year, but strangely, not the second. The existence of a lease-record provides the tenant with some degree of security in that he is not supposed to be evicted in the middle of the contract period as defined in the lease record.

So much for the rights of the tenants as we could find out in a priori terms, i.e., enquiring directly about the

6. However, the practice of 'mutual leasing of plots' where plots get cancelled, appear to be prevalent on a significant scale among chalgenigaras. High fragmentation of land in South Kanara appears to be the basic cause behind this phenomenon.

ature of the lease-contracts as such. It is clear that on about all the different sorts of rights touched upon, the chalgeni represents a very 'inferior' tenurial system, entailing an extremely 'weak' tenant position.

It is worthwhile to see this in the context of other forms of systems of tenancy actually prevailing in the district. We had noted at the outset that all lease of paddy-land in our economy comes under the chalgeni system. Hence the comparisons given below are basically of a 'structural' as well as of a purely 'qualitative' nature.

The main comparison is with an indigenous form or system of tenancy known as mulgeni in the district. This is a distant second to chalgeni in terms of incidence and is prevalent mostly on the coastal belt where co-conut gardens and homesteads are leased out under this system. The lease contract is invariably legally recorded. Here the tenant, known as mulgenigera, has a perpetual right to hold the land through generations. As such, there is no question of renewal of contract. As long as the stipulated rent is paid and the land not left to waste, the tenant cannot be dispossessed of the land. If the tenant surrenders the land, he is entitled to compensation for improvements on the land. The tenant has also the right to sublease the land, but only on a chalgeni tenure.

Thus, it is clear that mulgeni is a "superior" form of tenancy compared to chalgeni. The tenant enjoys a high degree of security and the lease is highly stable. Because of the rights enjoyed by mulgenigaras they are often considered to be 'subordinate landlords rather than tenants'.⁷

Three other forms of tenancy, outside chalgeni and mulgeni, appear to be known in the district: uddari, veidegeni and fasalugeni (or goime). Of these, the last two appear more or less extinct and need not be discussed at all. Uddari is a tenancy arrangement for a single crop season solely for growing cash crops like sugarcane, chilly etc. Hence the contract is a short term one ending with the harvest, the land being taken back by the landlord for paddy cultivation.

Obviously, the 'structure' of uddari is very different from chalgeni and mulgeni and there is no point in comparing its a priori provisions with those of chalgeni and mulgeni. However, the form is of some interest from the general standpoint of commercialisation of land relations. The very short-term nature of the contract, the nature of the crop and the nature of rent (which is solely fixed and paid in cash), as also the nature of lessees - who often happen to be the

7. See George (1970). According to the Karnataka Land Reforms Act, 1961 "... an intermediary such as a permanent tenant or mulgenigar who having taken land on lease from the land-owner has leased it to another person, shall be deemed to be the landlord with reference to the person to whom the land is leased." Government of Karnataka (1974b)

'enterprising youth' in the village - all give uddari the complexion of a 'commercial contract proper'.⁸

This completes our discussion of chalgeni tenancy, both on its own and in relation to the other forms of tenancy in the district, in purely a priori terms. Let us now pass on to see how it works out in practice. The most important empirical feature of the relation is that it is a very long run or stable relation. Of the 40 tenants in our sample only 9 had a written lease record.⁹ But all the 40 tenants reported that they were tenants on the same land for more than 10 years, and, as many as 30 of them were tenants on the same land for more than 20 years. It was also observed by us that in most cases the contract continued without any formal renewal.

Coming to other details, we found that the incidence of rent revision was rather insignificant: only 3 tenants in our sample recalled specific instances of rent revision

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8. In many ways the thika tenure in West Bengal seems to be very similar to uddari. Thika is a contract for one crop season, mostly for the boro crop. The rent is fixed and paid in cash, the lessees often being ".educated unemployed youth." For a discussion of thika tenure, see Bandyopadhyaya (1975)
9. The reference here is to the lease record proper, known as edurunudi in the area. In case such a record exists, a copy of it would be with the tenant, another with the landlord, and the third with the taluk office. As a minimum record about tenancy, we enquired about rent receipts and found that only 15 out of 40 tenants had obtained it from their landlords. These 15 include all the 9 tenants who had the lease-record proper.

by the landlord in the recent past, say 10 years.¹⁰ As regards concessions in rent payment because of crop failures, almost all the tenants reported that the payment of rent could be deferred on this ground, but its magnitude was not adjusted either to the extent of crop-failure or the period of deferment.¹¹ There could be other grounds for deferment of rent payment. We could not go into this. However, it appeared that the rent was not allowed to be accumulated for more than 3 successive years; eviction followed in such an event.

Let us return, at this, to a brief consideration of the contrast between traditional and non-traditional landlords in respect of the aspects of the tenancy relation discussed so far.

The incidence of a lease-record appeared to be significantly higher in the non-traditional sector of the lease market, the number of tenants having a lease record being

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10. Of late there is an unmistakable tendency on the part of landlords to evict chalgonigaras and resume land for self-cultivation. This appears to be related to the operation of Land Reforms Acts of 1961 and 1974. Moreover, any fresh leasing out of land by landowners also appears to have come to a standstill after the mid-sixties. The net result has been a steady decline in the incidence of tenancy in the district since the mid-sixties. Our village level enquiries revealed this trend in all the villages surveyed by us. This declining trend in the incidence of tenancy in other parts of the country is also observed by Dantwala and Shah (1971), Ghalla (1977) Laxminarayan and Tyagi (1977) etc.
11. One can thus say the rent system is indeed a 'fixed' rent system in many senses!

only 2 (out of 14, i.e., 14.3 percent) in group-I¹² and 7 (out of 23, i.e., 30.4 per cent) in group-II. Tenurial stability, on the other hand, appeared to be significantly greater in the traditional sector. All the 14 tenants in group I and all 3 tenants in group III were tenants of their respective traditional landlord for more than 20 years. In fact, 4 of the tenants in group-I reported that their relation with their respective landlord household or manethana was a 'generational' one going over to more than 100 years! In the non-traditional sector, on the other hand, only 13 out of the 23 tenants, i.e., only about half of them, reported that they were tenants of their respective landlord for more than 20 years. In any absolute sense - or by comparison with many other parts of India - all these are extremely long-standing relations.¹³ However, the contrast between the two sectors is also very clear. In sum, what the features noted above do is to point to a single conclusion: while being based on custom, force and 'word of mouth' rather than any 'written' or 'formal' contract, the tenancy relation in South Kanara also has a 'stability' or 'unchanging character' that

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12. We may recall here that groups I, II and III refer to tenants of only traditional landlords, only non-traditional landlords and both traditional and non-traditional landlords respectively.
 13. It may be noted here that chalgani and mulgani tenures also prevailed in Kasargod taluk (of Cannanore district in Kerala) which was part of South Kanara district before the re-organisation of States. Oomen (1971) observes the high degree of stability of these two tenures in this area also.

goes with a traditional set-up ¹⁴

This in turn ties up with a number of general features or characteristics of the 'system'. Viewed from the tenant-angle, the 'stability' may be taken to imply not only a certain measure of security, but also a certain dependence on a particular landlord whom the tenant is in no position to leave. On the landlord side, a certain lack of dynamism is clearly implied. One sees this very generally in an almost total absence of investment by the landlord in land leased out by him.¹⁵ Finally, the very long term nature of the tenancy relation clearly entails a 'personal' element in the landlord-tenant relation. This again is a very general

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14. Certain changes that have taken place in the structure and nature of lease markets in some other parts of the country - like emergence of 'tenancy in reverse', shift from share-cropping to fixed, cash rent tenancy, cost-sharing and involvement in decision making by the landlord etc.- seem to be almost totally absent in South Kanara. For details on these changes in some other parts of the country, see Bandyopadhyaya (1975) Bardhan (1976), Bhalla (1977), Bharadwaj and Das (1975) Chosh and Dutt (1977), Nadkarni (1976), Newaj and Rudra (1975), Rudra and Bardhan (1980), Vyas (1970) etc.
 15. We come across only 2 cases out of 40 where the landlord had taken some interest in investment in land leased out by him and it turned out that the land in either case was owned by the christian church! The investments were in minor irrigation works for which both the tenants and the landlord (the Bishop in this case) made some contribution. The village (Zmtady) was located in a well irrigated area in the interior (Buntwal taluk) where as many as 3 crops were raised on many plots.

feature of rural or agrarian relations. What is significant here, however, is not so much the direct personal element (or 'interpersonality') as such, but its basis in a clear dominant-dependent relationship.

3.3. ASPECTS OF THE SYSTEM OF PAYMENT OF RENTS

3.3.1 Kind Rents

By and large, rent in South Kanara is both fixed and paid exclusively in kind.¹⁶ One can, therefore, say that the dominant rent system in the district is a kind-rent-system. Within this, it is necessary to distinguish sharply between a major component of rent paid in the produce (or some transform of it) and a minor component consisting of sundry home-grown items.

Since paddy is overwhelmingly the most important crop in the area, the form of major component of rent is also paddy or rice. It is interesting to note however, that even where the major crop is a cash crop, the major component of rent in which it is both fixed and paid continues to be the produce itself or some transform of it. Let us recapitulate in this context that areca, the major cash crop of the district, does not come under the purview of discussion here for there is no

16. For convenience of comparison, we have given the relevant figures of rent form as per the sample of tenants in our survey at the end of our discussions of rent in cash. (see p .75)

leasing of areca gardens. As already noted,¹⁷ in certain well irrigated parts of the district, cash crops like sugar-cane and chilly are grown on a significant scale. It appears that with quite a few cultivators in these areas, sugarcane happens to be the major crop, with paddy being the minor crop. We came across 3 such tenants in our survey, all in well irrigated parts of Buntwal and Udupi taluks. The major component of rent in these cases was sugarcane (or its transform, jaggery). Paddy/rice continued to be a component of rent, but it took the role of the minor component.

Let us now confine ourselves to paddy cultivation. The major component of rent in the whole of coastal belt and parts of the interiors of Coondapoor and Udupi taluks is usually fixed and paid in paddy. As noted earlier, the coastal belt is a single crop region, while in the interiors referred above, the cropping intensity is higher. Raising two crops, a kharif crop harvested around October and a summer crop, kolke, harvested around march, is not uncommon in these areas, especially in some interior villages of Udupi taluk. All the same, rent is paid in one annual instalment immediately after the kharif harvest in both the areas. No rent is paid out of the Kolke crop in the interior.¹⁸

17. See chapter 2, p.45

18. The magnitude of rent on a plot of land where a Kolke crop can also be raised is higher than that on a plot where only one crop (kharif) can be raised. The rent was not paid out of the kolke crop, that is all. The tentative reasons for this can be as follows: (a) The degree of uncertainty associated with a kolke crop is often high, and (b) kolke is a short duration crop and

(contd)

In the rest of the interior parts of the district, the major component is usually fixed and paid in rice. The rent here is usually paid in two instalments, once in December and once around March before the Sivarathri festival. It may be recollected that raising two crops, a kharif crop harvested around October and a rabi crop harvested around December/January is not uncommon in this area. A gap of about two months is allowed from the harvest time for the conversion of paddy to rice for the payment of rent in rice.

So much for the major component of rent. Regarding the minor component, there is far less of a 'system' in the sense of a general pattern with definite uniformities. All the same, there does appear to be a definite break in both the incidence or proportion and in the internal composition of the minor component as one passed from the traditional to the non-traditional sector of the land market.

While all the 14 tenants in group-I and all the 3 in group-III had to pay a minor component of rent, only 12 out of 23 in group-II paid this component. Thus the minor component is an invariable element of the rent paid by tenants of traditional landlords, not of the rent paid by other tenants, only about half of whom had to pay it.

18. (contn)

hence the quality of produce in kolke is supposed to be poorer than in the other two crops.

We may also note here that no rent is paid out of the numbelasu crop.

The constituents of the component varied a great deal between the two sectors. Thus, in the case of a non-traditional Brahmin landlord the minor component usually consists of a basketful of vegetables, paid just before sowing. This is known as bela-kanike.¹⁹ In the case of a non-traditional land lord, the minor component usually consists of one fowl per year. In contrast, a traditional landlord usually exacts something of every conceivable produce on the tenant's land as part of the minor component of rent. One such case we came across in the interior parts of Udupi taluk perhaps illustrates the point very well. This was a well irrigated village where cash crops like sugarcane and chilly were grown on a significant scale. The tenant had leased in 3 acres of land from a traditional landlord who was a resident of a nearby village. The rent consisted of 44 mures of paddy per year as the major component. The minor component consisted of 200 straw bundles, 25 sticks of sugarcane, one basketful of vegetables, 5½ maunds (i.e., 68.75 kgs) of coconut oil, 16 broomsticks, 64 coconuts and 25 thatches per year!

3.3.2 Cash Rents

Let us begin by distinguishing between two ways a rent-in-cash appears to emerge in South Kanara. The first refers to the conversion of the whole or part of the major

19. bele = crop
kanike = offering

20. A mura, a volume measure, is equal to 42 seers.

component of rent into cash at the time of payment. That is, this component of rent here is fixed in produce (rice or paddy) but may be paid partly or wholly in cash. This appears to be the case only when the landlord is an absentee landlord, which means that he is typically a medium-sized, non-traditional landlord. The price at which the produce is converted to cash is that prevailing at the time of rent payment, which coincides with the usual time of rent payment in the area.²¹

The other way a rent-in-cash emerges is one where a 'part' of the rent is both fixed and paid in cash. When in force, this component is generally found to be equivalent to the amount of land revenue payable by the landowner on the plot of land leased in by the tenant. In essence, the landlord collects from the tenant the land revenue on the land leased out, and hands it over to the government. Clearly, the 'part' accounted for by the rent-in-cash is a minor one. The major component continues to be the rent in produce.

Fixation of rent only in cash is very rare. However, if it is fixed exclusively in cash, then it is also paid exclusively in cash, i.e., there are no other components of

21. We came across one case where the landlord had taken the tenant to court for non-payment of rent. In this case the rent was to be paid through the court till the case was to be settled by the court. The court would announce a price - what was referred to as the 'court price' by the tenants - of the produce and this was used as a conversion factor for the payment of rent. Tenants told us that the court price was usually lower than the market price.

of rent either in the fixation or in the payment of rent in this case.

In our sample of 40 tenants, the major component of rent was fixed exclusively in the produce in 31 cases, in both the produce and cash in 7 cases and exclusively in cash only in 2 cases. Of the 31 cases where it was fixed in the produce, as many as 28 also paid the major component in the produce, 2 paid in both cash and produce and only one paid it fully in cash.²² It was also observed by us that the extent of monetisation of the rent form was the highest in Mangalore taluk - the most advanced and commercialised taluk in the district. The two cases where the rent was both fixed and paid exclusively in cash belonged to this taluk. Of the other three tenants contacted in this taluk, only one did not have a cash component in the rent.

3.3.3. Labour Rents

Rent-in-labour or labour rent stands for unpaid labour services provided by the tenant,²³ and belongs to a completely different footing altogether compared to the other two forms of rent. This feudal mode of exaction is still fairly widespread among the traditional landlords of the interior and hardly features among non-traditional landlords. In our

22. We may note here that in mulgeni, as well as uddari, the rent is fixed and paid exclusively in cash.

23. It is possible to view this as a mode of dependence or relatedness of the labour market (more precisely,

(contd).

sample, 8 out of the 14 tenants in group-I and only one out of the 23 in group-II provided unpaid labour services to their landlords. In group-III, all 3 provided unpaid labour services to their traditional landlords, but not to their non-traditional landlords.

There are two 'systems' of unpaid labour in the district. In one, the tenant works for a fixed number of man days and/or bullock-days per year on the landlord's farm without payment. In our sample, the number of days varied from just 2 bullock-days to 24 man-days plus 2 bullock-days per year.

The other 'system' of unpaid labour services is simply one where there appears to be no upper limit to the number of man-days of unpaid work to be done by the tenant. He simply has to go and work for the landlord whenever the latter demands. There is no stipulation on the nature of work either: it can be on

23 (contn.)

a particular 'segment' of it) on the land market. It nevertheless comes into the discussion of this chapter because no complete statement of the rent system is possible otherwise. The whole matter is discussed from a methodological standpoint in chapter 4. (See chapter 4; pp. 100-102)

the farm or in the house-hold. As is to be expected, this system still prevails in villages where the control exercised by the traditional landlord is almost total. We came across one such village in our pilot survey (Shiriyara) and one in the final survey (Haladi).²⁴

3.4 LANDLORD'S SHARE IN THE TOTAL PRODUCE FROM LAND

LEASED OUT

The 'magnitude' one is interested in directly from the standpoint of the power relation between the landlord and tenant is the share or proportion of the landlord's income from land leased out to the total of his and the tenant's income from the same land. Given that the entire cost of cultivation is borne by the tenant, this share or proportion is obviously larger - perhaps significantly larger - than the rent received by landlord measured in produce, as a proportion of the total produce on the land leased out. Since no data are available for the costs of cultivation as actually incurred by tenants, we can pursue only the latter magnitude, not the former. There is thus a clear bias in favour of the landlord in taking the magnitude we seek to estimate as representing the state of the power relation in our market.

 24. Let us mention here another 'system' of unpaid labour services in the district, which appears to have become obsolete now. In this, the tenants of a landlord have to cultivate a fixed amount of landlord's land and hand-over the entire produce to him. The landlord provides only seeds and manure. We came to know of this from one respondent who reported that about 10 years ago, 5 acres of his landlord's land was cultivated in this manner by all the 22 tenants of the landlord at that time. Of our respondents, only one

Within this, there is a further series of biases, all in favour of the landlord, in the magnitude we are able to estimate, all rooted ultimately in the nature of data available for the purpose. Let us spell these out one by one in terms of the data availability problems and the methods of their 'solution' adopted.

Let us note that the only data available from our survey for the purpose of the exercise relate to (a) the area of land leased in by the tenant and (b) the magnitude of rent paid by him. While both these pieces of information could be obtained with a sufficient degree of accuracy from a tenant, even here we face two major statistical problems.

First, there is the problem of heterogeneity in the form of payment of rent. We have seen that the rent is often paid in diverse elements like the produce, cash, sundry home-grown items and also unpaid labour. While quantitative information of each of these elements is not hard to obtain, there does not appear to be any means of converting all these elements into the common 'denominator' of the produce.

The second problem stems from the unit of measurement of land conventionally adopted in South Kanara. It is a measure known as mura, one mura of land being the area needed to sow one mura of paddy. The actual geographical area of

a mura of land varies widely within the district. On the coastal belt it is around 40 cents, whereas in the ghat areas it can be as high as 75 cents. Apart from varying from village to village, the geographical area of a mura of land can vary even between different plots of land in the same village depending on the quality of land. Our data from the field level are all in terms of mura units and it was not possible to obtain the conversion factor for each plot of land. So, converting the data into some standard units like acre or hectare has posed some problems.

For the purpose of our exercise, we have solved the first problem by the simple expediency of (a) keeping ourselves only to cases where the major component of rent was in produce (paddy/rice) and (b) leaving out the minor component altogether in these cases. The underestimation of rent, particularly for traditional landlords, implied by this procedure need hardly be commented upon. So far as the second problem is concerned, we have assumed the acre-mura conversion factor to be 40 cents per mura for villages adjacent to the coastal belt, 60 cents per mura for interior villages and 75 cents per mura for villages in Sullia and Puttur taluks. Though somewhat arbitrary, there is no reason to believe that this introduces any bias either in favour of, or against, the landlords.

With these adjustments in the data available, we have

been able to calculate the magnitude of rent in kilograms of rice per acre of land (leased in) for our sample tenants. Table 7 gives these figures averaged by the taluks. It is clear from the table that the magnitude of rent varies widely across the district: It varied from 185.33 kgs of rice/acre in Mangalore taluk to 368.33 kgs of rice/acre in Buntwal taluk.²⁵

TABLE 7

MAGNITUDE OF RENT PAID BY TENANTS SAMPLED

Region	Rent paid per acre in kgs. of rice.
Taluks of the district	
Mangalore	185.33
Udupi	350.00
Coondapoor	253.00
Buntwal	368.33
Belthangady	220.00
Karkala	253.33
Puttur	326.00
Sullia	325.00
The district as a whole	287.67

Source : Field Survey

25. The low figure for Mangalore taluk is because of the fact that the rent here usually has a substantial cash component which is left out from our calculations.

Let us now turn to the estimation of the share of rent in the total produce. It is here that we come up with the major handicap. Direct enquiries about 'output' from the land leased in by tenants in our sample yielded no satisfactory answers. We therefore had to turn to extraneous sources of information for this purpose. The only source available was the crop estimation survey data provided by the Bureau of Economics and Statistics, Karnataka. According to this source,²⁶ the average yield of rice for the kharif crop for the district as a whole was 1293 kgs/hectare in 1973-74. The average magnitude of rent for the district as a whole works out to be 288 kgs. of rice/acre as per our survey figures (see table 7). Hence the average rent per acre as per our survey expressed as a proportion of average yield of land for kharif crop as per the crop estimation survey of Bureau of Economics and Statistics, Karnataka, works out to be 56 per cent.

This figure needs adjustment for the fact that the tenant may raise more than one crop on his land. Again, we could not get any reliable response to enquiries regarding the cropping intensity of tenants in our sample, and relied on extraneous sources of information. The data provided by the District Statistical Officer, South Kanara, showed that for the district as a whole in 1974-75, the area under rabi and kolke rice crops was 46 per cent of the area under the kharif rice crop. We simply assumed (a) that the figure

 26. See Bureau of Economics and Statistics, Karnataka (1977), p.86.

applied to tenants in our sample also and (b) the yield of land for rabi and kolke crops was the same as its yield for the kharif crop. On the basis of all this, we get the landlord's share in the total produce of land under tenancy for the district as a whole as 39 per cent.

All the steps in our use of extraneous informations above appear to introduce a definite bias in favour of the landlord. First, the yield of land retained for self-cultivation by landlords is likely to be greater than that leased out by him. This could mean that the average yield of all land is an over-estimation of the average yield of leased-in land which is what we are directly interested in.

Second, we have taken the cropping intensity of tenants - who are all basically small and marginal cultivators - to be the same as the average cropping intensity for the district as a whole. Since they would in general lack the irrigation facilities available for bigger cultivators, this results in a clear over-estimation of the yield of land leased in. Finally, we have taken the yield of land under rabi and kolke crops to be the same as the yield of land under kharif crop which again appears to create an over-estimation of the notional annual yield of land, for kharif being the major crop, grown under assured rain fall, would in general show a higher yield per acre than the other two crops, especially in the case of traditional varieties of paddy, which appear to dominate the rabi and kolke crops of the tenants.

It is clear that when these corrections are made for all the biases that have crept into our method of calculation, the share of the landlord's income in the joint income of the landlord and the tenant from the land under lease will be significantly larger than the figure we have arrived at. As it is, the rock-bottom floor of a 40 per cent share we have calculated is on the high side by most empirical 'norms' one hears in the Indian context. We may call attention here to the fact that the Land Reform Act of 1961 of Karnataka had fixed the 'norm' for 'fair rent' at 1/5 of the produce or 20 per cent for all land other than those with assured irrigation facilities.²⁷ No further comment on either the power and control of the landed class in our economy or the implementation of the Act need be made.

CONCLUDING OBSERVATIONS

The 'inferior' nature of chalgani tenancy as a pure form of tenancy as discussed in section 2 above (see pp.63-64) is a clear indication of the general power and control of the landed class in our economy, seen from a purely qualitative angle from within the land market. A direct quantitative sequel to this is the landlord's share in the gross produce from land just discussed which is clearly on a high side by all available standards.

 27. It was 1/4th of 25 per cent for land with assured irrigation facilities. See Government of Karnataka (1974a):p.44

Both of these are general reflections of the power and control of the landed class in our economy within the land market, for all our lessor belong clearly to the landed class proper even though they may not be landlords proper. Further, the very significance of land-lease by the traditional landlords ensures that the general operation of the market is very much an outcome of their strength in particular, whom we have already seen to constitute the 'core' of the landed class.

At a more specific level, we had sought to capture the 'differential' element in the power and control of the traditional landlords through our basic divisioning of the market on its supply side. We need only recall here the cross-relations between landlord types and tenant types (see pp.58-61), the variations in tenurial stability (see p. 68), the incidence and composition of the minor component of kind rents (see pp.72-73), and finally the whole system of rent-in-labour or labour rent (see pp.75-77) in this context as particular instances of the specific 'strength' of the traditional landlords, all of which together amount to a clear feudal character of the modus operandi of this particular class: This remains one of the most significant features of our economy and will come out again through the study.

The forms of rent discussed at length in this chapter are also the forms in which a surplus is extracted by the landed class from within the land market, and give a clear

indication of the general methods of surplus extraction within it. They also have a particular relevance from the standpoint of the 'relatedness' or 'dependence' of the labour, credit and product markets to the land market and hence of the various modes of surplus extraction, ultimately on the basis of land. This will come out through the rest of the study.

CHAPTER 4LABOUR MARKETINTRODUCTION AND OUTLINE

The majority of agricultural workers in South Kanara appear to be under some restriction or other in their 'choice' of an employer to work with, on account of one or other definite relation with a particular employer or person they had entered into in the past outside the 'labour market'. This clearly links up with the broad theme of market inter-relations and defines the general direction of our study of the labour market, which itself is concerned basically with various qualitative aspects of the broad spectrum of agricultural labour relations suggested by our opening statement.

While the 'logical' starting point of this is a statement of the 'spectrum' itself, it is obviously necessary to see the labour relations in the background of the basic structural factors underlying the market as a whole. We have already given an account of most of these structural factors in our outline of the 'basic structure' of the economy (Chapter 2). However, it is necessary to see them specifically from the standpoint of the functioning of the labour market, and add some further materials. This is done in Section 1 below, which is obviously of an introductory nature and a continuation and reorganisation of materials already discussed in Chapter 2.

The rest of the chapter is given to the subject matter indicated above, i.e., aspects of the spectrum of labour relations in our economy. The spectrum of labour relations relevant for our purpose is given ultimately by the nature and extent of 'freeness' or 'lack of freeness' of the workers understood in a relational sense. Such an approach to the classification of agricultural labour in India goes largely by default.¹ The only exception appears to be Daniel Thorner and Alice Thorner (1957), who in their pioneering work on agrarian relations in India proposed some principal categories of 'unfree' labour in this context. This will be the starting point of our discussion, the immediate objective being to arrive at a statement of the 'spectrum' as it obtains in our economy. This is done in Section 2 below.

Sections 3-5 are given to the study of the different 'types' or 'categories' of unfree agricultural labour in our economy as given by the spectrum, the precise contents of which are outlined at the end of Section 2. The last section (Section 6) is given to a study of some aspects of the wage-employment systems prevailing in our economy.

1. Most of the empirical studies on agricultural labour in India rely on what can be called the 'standard' labour classifications into 'casual' and 'attached' labourers, as found in Agricultural Labour Enquiry Commission Reports for the years 1950-51, 1956-57, 1963-65 and 1974-75. The categories defined in these classifications depend basically upon certain 'technical' characteristics of labour without taking any proper view of the nature of the labour relation. For a critical discussion on this classification, see Thorner, D (1956); Raj (1962) and Barshian and Rudra (1980).

This too is spelt out at the end of Section 2. These postponements of the outlining of the precise contents of Sections 3-6 cannot be helped in view of the fact that the entire discussion is about something (the spectrum of labour relations in our economy) which itself is properly defined only in Section 2.

4.1. STRUCTURAL FACTORS UNDERLYING THE MARKET

4.1.1. Demand-Supply Position : Coastal Region

The coastal zone is characterised by a high population density and low cropping intensity, paddy being almost the sole crop. The dominant landholding community in this zone is made up of Brahmin, often absentee, landlords with holdings in the 8-10 acre range. Roughly, about half of each holding is leased out in small plots to a number of small and marginal tenants. On the remaining land the landlord raises his crop, hiring in some labour. The small and marginal tenants constitute the largest proportion of the rural population in this zone and depend mainly on family labour for cultivation. The same holds true for the small and marginal owner-cultivators.

This summarises the basic mode of cultivation for the zone. It follows that the 'market' for agricultural labour is rather 'thin' in this zone, consisting basically of small and medium landlords on the demand side. On the

supply side, it consists of both landless agricultural labourers as well as small and marginal tenants and owner-cultivators.² Because of these factors our impression during the field survey was that the annual supply of agricultural labour far exceeded the demand for it. We are not in a position to say whether the supply exceeded demand during the peak season, i.e., during the harvesting of kharif crop, but it was certainly so during the rest of the year.

The most important non-agricultural occupations in the parts of Coondapoor and Udupi taluks belonging to the coastal belt are fisheries and toddy-tapping. The former, which is the more important of the two, however, cannot be carried out during the monsoon. This being precisely the period when agricultural employment is also not available, there is a clear acute seasonality in surplus labour. Non-agricultural occupations which can provide employment all through the year, like 'household industries' or tile

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2. A study conducted by the Bureau of Economics and Statistics, Karnataka (1974) for the year 1969 showed that in South Kanara the major 'activity' for the family members of 'marginal' and 'small' farmers was 'work outside the family farm'. An insignificant proportion (1.75 per cent) of 'marginal farmers' and a slightly larger proportion (9.25 per cent) of 'small farmers' were 'employers'. This shows that for the district as a whole 'small and marginal' farmers acted basically as a supply party rather than as a demand party in the agricultural labour market.

factories etc., are available only on a small scale in these two taluks. These appear to lie at the basis of a significant amount of migration from the area, both permanent and seasonal.

In contrast to the above area, Mangalore taluk presents a different picture. While fisheries and toddy-tapping continue as subsidiary occupations, there is a substantial degree of stable employment opportunities outside agriculture in this taluk because of its high degree of urbanisation. Household industries like beedi-rolling also prevail on a large scale here. (see Table 8)

4.1.2. Demand-Supply Position: Interior Region

The interior zone is almost entirely a subsistence crop economy. It has a lower population density and higher cropping intensity compared with the coastal belt. The typical 'mode of cultivation' is also quite distinct. The large, traditional landlords who dominate this region lease out a substantial proportion of their holdings. The rest is cultivated by them on the basis of hired labour as well as unpaid labour from tenants. A substantial proportion of the tenants in turn are 'medium' or 'large' tenants who also hire in labour, especially during harvesting. Marginal and small tenants and owner-cultivators, who are not as numerous in the interior as in the coastal zone, depend mainly on family labour for cultivation. Thus while the traditional

TABLE 8: OCCUPATIONAL STRUCTURE BY TALUKS IN SOUTH KANARA DISTRICT (1971)

Workers in different census occupational sectors as per cent of total number of workers										
Region	Cultivators	Agricultural labourers	Livestock, fishery forestry etc.	Mining & quarrying	Household industry	other than household industry	Construction	Transport storage & communications	Trade & commerce	Other services
Taluka of the district										
Mangalore	11.33	12.24	3.10	0.31	18.51	19.84	3.70	6.04	12.45	12.49
Udupi	34.28	25.88	4.92	0.54	5.01	7.22	1.36	2.02	9.92	8.85
Coondapoor	43.43	28.32	6.07	0.23	3.29	4.68	0.77	2.04	6.04	5.12
Buntwal	25.22	24.88	4.05	0.19	29.58	4.10	1.13	1.30	4.13	5.42
Belthangady	39.76	38.29	3.72	0.01	6.35	2.65	0.60	0.81	3.03	4.78
Karkala	44.44	30.59	1.93	0.19	6.79	4.36	0.84	1.33	4.35	5.17
Pattur	31.26	29.80	6.90	0.32	2.95	8.09	2.64	2.59	5.21	10.23
Sullia	27.94	35.37	16.26	0.13	1.62	1.92	0.57	0.79	4.90	10.50
District as a whole	29.38	24.79	4.70	0.28	11.55	8.87	1.80	2.77	7.55	8.32

Source : District Census Handbook, 1971.

landlords are the main source of demand for labour, the non-traditional landlords as well as medium and large tenants and owner-cultivators also provide some employment. On the supply side, landless agricultural labourers and marginal farmers (tenants and owner-cultivators) are the main source.

Because of these factors, our impression is that the excess of supply of labour over demand is not as marked in the interior as in the coastal belt. In fact, there seemed to be some shortage during the harvesting period, particularly in areas with high cropping intensity, e.g., parts of the Udupi taluk falling in the interior zone, and Buntwal taluk. This appears to be met basically by daily movement of casual labour from the coastal zone.

The availability of non-agricultural occupations seems to vary considerably within this zone. Interior parts of Coondapoor and Udupi taluks and parts of Karkala taluk adjacent to these two taluks are poorly developed and have no non-agricultural occupation worth the name. The situation in Belthangady taluk, where timber work provides some job opportunities, is only slightly better. Again, this timber work is not available during the monsoon. Interior parts of Mangalore taluk, parts of Karkala taluk adjacent to Mangalore taluk and the whole of Buntwal taluk are better developed in comparison with other parts of the interior zone. Household industry, especially beedi-rolling is a

major subsidiary occupation in this area. Parts of Surtwal taluk also provide clay work as subsidiary occupation.

4.1.3. Demand-Supply Position: Ghat Region

Unlike the coastal belt and the interior, the ghat section is basically a cash crop (areca) economy with very low population density. The mode of cultivation is largely on the basis of labour hired directly by landowners and the incidence of tenancy is low. Thus the labour market has basically landowners on the demand side and landless labourers on the supply side. The labour required per acre of areca gardens is much higher than that for paddy and is also more or less uniform through the year. The demand and supply position is therefore much more favourable to labour in both overall and seasonal terms. This is especially so in Sullia taluk where stable employment opportunities in rubber plantations supplement the employment in areca gardens. In Puttur taluk where only beedi-rolling is the major subsidiary occupation, there appeared to exist an excess of supply of labour during the lean season and also some degree of seasonal migration.

4.1.4. Migration

We have seen above that there is some amount of variation in the demand-supply position of labour across

the 3 'zones' of the district. Irrespective of these regional differences, however, the overall impression is one of widespread unemployment among the rural population.³ This results in large-scale migrations from the district, both permanent and seasonal.

Permanent migration takes place from all over the district, especially the coastal belt. Migration to cities like Bangalore, Bombay etc., in search of odd jobs in hotels etc., or to coffee plantations in Chickmagalur and Coorg districts is a common feature among the lower classes in South Kanara.⁴

Seasonal migration on the whole appears to be dominated by a single broad movement as follows. There

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3. The survey conducted by the Bureau of Economics and Statistics, Karnataka, in the district during 1969-70 had 907 agricultural labourers as respondents. Of these as many as 885 reported that they were unemployed for part of the year, the average number of days of unemployment for these (885) labourers being 130 days in the year. The average number of days of employment in agriculture for the 907 labourers was 210. Nearly one-third (305) had a subsidiary occupation, the average number of days of employment in these occupations being 84 for these (305) labourers. See Bureau of Economics and Statistics (1974), p.64. Also see Thingalaya (1976), p.61.
 4. Thingalaya's study in the coastal taluks of Udupi and Coondapoor for the year 1975 showed that out of a sample of 1000 marginal farmer households as many as 601 had an emigrant; 274 out of this 601 had migrated for an odd job in a hotel. The corresponding figures for a sample of 500 agricultural labour households were 180 and 100 respectively. See Thingalaya (1976), pp. 108 and 110.

is a large scale migration of labour to the ghat areas of adjacent districts like Shimoga and Hasan for work on both areca plantations and paddy fields. The main source is labour in the coastal belt of Udupi and Coondapoor taluks and parts of Bethangady, Puttur and Karkala taluks. The migration takes place during the lean season, and lasts for about two months, beginning after the transplanting job is over in the district and generally ending just before the harvesting in the district.

4.1.5. Sex Composition of the Labour Force

A striking characteristic of the agricultural labour force in the district is the outnumbering of male labourers by the female labourers.⁵ What is more interesting is to note that the district can be redivided into two broad zones from this standpoint. One, consisting of Udupi, Coondapoor, Mangalore and Karkala taluks, has female agricultural labourers far outnumbering the male agricultural labourers, and the other consisting of Buntwal, Puttur and Sullia taluks, has male agricultural labourers outnumbering the female agricultural labourers, especially in Puttur and Sullia taluks (See Table 9).

Two very tentative explanations for this phenomenon can be as follows. The first revolves around migration.

5. This phenomenon is observed also in the household industry, especially in beedi-rolling, in the district.

TABLE 9:

SEX COMPOSITION OF AGRICULTURAL LABOUR
FORCE AND POPULATION BY TALUKS IN
SOUTH KANARA (1971)

Region	Ratio of male to female workers in agricultural labour force	Ratio of male to female popu- lation
<u>Group A</u>		
Mangalore	0.75	0.94
Udupi	0.68	0.85
Coondapoor	0.84	0.88
Karkala	0.69	0.87
Group A as a whole	0.74	0.89
<u>Group B</u>		
Buntwal	1.06	1.00
Belthangady	1.13	1.00
Puttur	1.33	1.04
Sullia	1.66	1.07
Group B as a whole	1.22	1.02
District as a whole	0.91	0.94

Source : District Census Handbook, 1971

We have already noted that large scale permanent migration takes place from the first zone, especially from Udupi, Coondapoor and Mangalore taluks. Most often, it is the male member(s) who migrates on a permanent basis and this tends to increase the female to male ratio in the population of the area from where such migration has taken place. This is particularly so in the case of lower classes from which the agricultural labourers are drawn. In this class, the female members left behind in the village more often than not work as agricultural labourers in the village.

The second explanation is in terms of caste. The bulk of agricultural labourers in the first zone come from communities which still follow the matrilineal, and matrilocal, system to a large degree. Thus, mogaveera (fisherman) and poojari/bhillava (toddy-tapper) communities provide the bulk of agricultural labourers in Coondapoor, Udupi and Mangalore taluks, while poojari and hunt communities do so in Karkala taluk. The bulk of agricultural labourers in the second zone, on the other hand, come from scheduled caste and scheduled tribe communities which follow the patrilineal system. The female member in a matrilineal family set up enjoys a much higher degree of freedom than in the patrilineal system. While the ownership rights over land seems responsible for this in a landowning matrilineal family, in a landless family it is basically an expression of her 'rights' to go out for work. The

female participation ratio in agricultural labour would therefore, be higher in a matrilineal set up than in a patrilineal one. We do not have any data to substantiate this hypothesis, and leave it as an open area for further research.

4.2. THORNERS' CATEGORIES OF 'UNFREE' AGRICULTURAL LABOUR AND THE SPECTRUM OF LABOUR RELATION IN OUR ECONOMY

In their article "Types of Employer-Labourer Relationships in Indian Agriculture" (1957), Daniel and Alice Thorner broadly classed unfree labour relations in Indian Agriculture in three categories:

The first category was characterised by "full-time service on an annual or more than annual basis in a dependent status",⁶ which boiled down to a "master-servant relationship, usually a long term one, often life-time, if not hereditary." This, we believe, approximates to what is usually termed "bonded labour" in the literature, and we shall call it by this name.⁷ The essence of the category from our point of view is the 'closed', and hence, 'isolated' nature of the relation.

The second category was one "under which labourers must work for a single master whenever he so desires; on days when the master has no work for them, they may seek

6. The underlinings for emphasis in all the excerpts quoted have been added by us.

7. Thorner did not use the term 'bonded labour' for this category.

other employment." Thus, this type of relation, called "beck-and-call" relation by Thorners, is characterised essentially by the element of a first claim on the services of a labourer by a particular employer.

We have to state here that Thorners did not undertake any systematic discussion of the precise basis on which a particular employer has a "first claim" on the services of a particular worker. As indicated at the very outset of this chapter, this takes one broadly to various prior relations between the employer and the worker concerned, which too did not occur explicitly in Thorners' discussion. This is precisely the direction in which we shall later discuss this category in full for our economy.

The third category in Thorners' classification consisted of "types of forced labour in which tenants have to perform a certain number of days of work each year for their landlords at low, nominal, or even no wages". The element of a particular prior relation, viz., tenancy, is explicit here. This gets expressed in the twin character of labour as (a) "forced labour" and (b) performed for "low, nominal, or even no wages" mentioned by Thorners. It is however not very clear whether (a) is really distinct from the basis of the relation, i.e., the prior relation of tenancy. Let us further add that there can also be an element of a "first claim" on the services of the tenant by the landlord in this category. Thus, the second and third of Thorners' categories are not really exclusive.

It is necessary to turn to a methodological issue at this point. The third category of "unfree labour" in Thorner's classification has already been dealt with by us as "labour rent" in the context of the systems of payment of rent in our economy (See chapter 3.3.3). At that point we mentioned that this could be looked upon as a mode of 'relatedness' of the labour market to land market. Let us first clarify this.

At the very beginning of the study we conceived the land and labour markets as equivalent to the 'lease' of land and 'employment' of labour. Thus, land and labour by themselves stand as bases of the two markets which in turn come in through their institutionalisations in a definite form. Going purely by the 'base' one would include 'labour rent' in the labour market and obtain it as a specific case of 'inter-relations' in the labour market having its 'origin' or 'source' in the land market.

This however leaves out completely the institutions from the domain of definitions. Once the land market is defined by the lease of land, whatever is entailed by the lease would be considered part of the land market. This precisely is the stand we had taken earlier when we said that a complete statement of the rent system required the inclusion of labour rent.

Let us pursue this a little further. The question, it appears to us, is ultimately whether there is one or two contracts. It is possible to conceive the 'employment' of tenants by landlords as a separate contract by itself. By definition, this contract is possible only on the basis of a prior 'lease' contract, but is not strictly entailed by it as an internal part. Given this separation, it would be possible to assign the two contracts to the two markets. The contract in the labour market, when actually taking place, would clearly express a definite mode of inter-relation different from that entailed by labour rent proper.

In the absence of any separability, we have a case of what can be called purely "definitional" inter-relation of the land and labour markets, for there is but one 'contract' or institution. This is precisely what labour rent as discussed by us amounts to.⁸ It is possible that Thorners had some separability of the contract for labour or employment in mind. This they did not clarify. In any case, having just the labour relation in view they had a somewhat restricted canvass from the institutional point of view.

Referring back to our economy, let us recapitulate that the landlord does not pay any wages to his tenants for the latter's 'labour services' on the landlord's farm

 8. It is in this sense, again, that a share-cropping arrangement can be considered as a definite mode of inter-relation between land and labour markets.

i.e., for the number of days' work stipulated in the tenancy contract). A fortiori, we cannot conceive this is a form of employment of labour. Thorners on the other hand refer to "low" and "nominal" wages, but also include "no wages" in their category. This completes the methodological discussion in respect of the third category of unfree labour relations in Thorners' classification.

In describing labour rent earlier, we called it a feudal practice. The same is clearly true of bonded labour in a more general sense. In the case of 'labour rent' there is only a few days' service on the landlord's farm to be provided by the tenant. It does not define the 'whole' of the landlord-tenant relation. Bonded labour, on the other hand, is a whole relation. Hence the feudal character of the relation is much more clear-cut and crystallised in the case of bonded labour, and the labourer as a person can be said to be a feudal survival in the present economy. It is therefore of interest to go into the personal case-histories of individual bonded labourers identified through our field survey in the broad historical background of the system as a whole. This broadly outlines the content of our study of bonded labour in our economy (Section 3).

Coming to beck-and-call labour, it clearly represents a much weaker relationship than bonded labour and cannot be said to represent a feudal lineage in any very direct

sense. Further, it is very widely prevalent in our economy,⁹ and opens up directly into a number of prior relations. All these suggest a different order of treatment of this category.

In our field survey, we had 52 agricultural labourers in our sample. Of these, 23 labourers could be termed 'free' in the sense of being free in choosing an employer to work within agriculture, while as many as 26 labourers were under some sort of beck-and-call relationship with a particular employer, the remaining 3 being bonded labourers. All the cases of beck-and-call relationship were based on one or other relationship outside the labour market into which the worker had entered with a particular employer or person. The whole category can be divided into a number of sub-categories depending upon the particular prior relation. This, for our purpose, is a subject by itself to be discussed at some length (Section 4).

Barring a few exceptions of an 'isolated' nature, all unfree agricultural labour relations in our economy appear

9. This appears to be true all over the country. Thorners cited the instances of Gothi and Kothia systems in Orissa, Kamia system in Bihar, Hali system in Gujarat as cases of beck-and-call relationship. The Labour Bureau conducted 'intensive type studies' on rural labour in different districts of the country during 1967-69 (See, Labour Bureau (1975)). The reports on these studies refer to the prevalence of 'attached labourers' in many of the districts studied. Some of these 'attached labourers' seem to belong to the category of beck-and-call labourers, e.g., the Kamin in Bihar, Halua in Assam and Saldari in Maharashtra. Rudra and Bardhan found that the system was quite widely prevalent in Eastern India. See, Bardhan and Rudra (1978) and (1980).

to belong to the two categories discussed. However, for a balanced, overall view of the situation, we shall follow up the study of these two categories with an account of unfree labour relations in related areas such as migrant labour and subsidiary occupations. (Section 5)

We observed above that compared to 'bonded' labour, 'beck-and-call' is a much weaker relationship. Let us now look at it from the other end, that of 'free' labour. The main point here is that a worker having a beck-and-call relationship with a particular employer is "free" after he has served the obligations of the 'first claim' of the employer. Given the very nature of agricultural work as a rather discrete and uneven series of 'operations' or 'jobs' spread over the year, his 'unfree periods' generally occur at the natural time of one or more of these operations. Outside these, he is like a 'free' worker. Let us further note that a particular employer with the first claim may not have any work for the worker concerned and the latter is then like a 'free' labourer all the time. Of course, the worker may not find any employment. In this, he is on par with the 'free' labourers. The point to note from the standpoint of the labour relation as such is that the obligation is entirely on the side of the worker, not of the employer. So far as the labourers themselves are concerned, no general security is provided by the beck-and-call relation. In this sense, they merge into the category of 'free' labourers.

Let us now look at all categories of agricultural labour, 'free' and 'unfree', from the standpoint of the systems of payment of wages. The main point here is that the whole notion of a 'payment of wage', as distinct from a direct sustenance provided by the employer, is absent in the case of 'bonded labour. So are such essential aspects of the employment 'contract' as a specification of jobs and measures of work in relation to which wages of labour are to be conceived in the first place. We shall therefore cover the relevant aspects in a direct and general fashion for bonded labour in section 3.

Outside this, there does not appear to be any clear-cut boundary within the total agricultural labour force, both 'free' and 'unfree' (beck-and-call), so far as the system of payment of wages is concerned. In a way, this is simply a reflection of the 'merging' of beck-and-call labour into free labour already noted, on the plane of the payment of wages and associated aspects of the employment contract. A proper discussion of this requires one to begin with a general account of the systems of payment of wages and related aspects of employment 'contract' (or the wage-employment systems, for short) in our economy and then see what distinction attaches to the categories as such (free and various categories of beck-and-call labour). This is precisely the order of our discussion in the final section of the chapter (section 6). By its very nature, the

discussion is also an exploration of the spectrum of labour relations on the plane of wages, so that the idea is continued till the end of the chapter.

4.3. BONDED LABOUR

4.3.1. General Background

To begin at a general level, bonded labour on its own belongs to a social system dominated by factors like caste, custom and tradition. Most bonded labourers in India belong to scheduled castes or scheduled tribes.

The element of a prior relation in it may originate from land or credit and refer to a more or less distant past. In fact, bonded labour itself is defined on this basis in the Reports of the Commissioner of Scheduled Castes and Scheduled Tribes:

The prominent feature of the system is that a man pledges his person or sometimes a members of his family against a loan. The pledger or his nominee is released only on its discharge. Until then the man himself or the members of his family is required to work for his creditor against his daily meals. Since he gets no money, he has to depend upon someone in the family to procure the sum required for his release and this, of course, is rarely available. The relationship lasts for months and sometimes years, occassionally for an entire life-time and not infrequently follows the male heir.¹⁰

10. Report of the Commissioner of Scheduled Castes and Scheduled Tribes for the years 1971-72 and 1972-73; p.216. Emphasis added. For reference, see Government of India, Ministry of Home Affairs (1974).

These reports observed instances of almost total restriction of the freedom of the labourer in other parts of the country because of a combination of utter destitution, caste, custom, tradition and prior relations in land and credit markets: Vet system in Maharashtra, Jana, Manjhi or Ijhari system in Jammu and Kashmir, Mat in Uttar Pradesh, Mahidari, Harvahi, Hali in Madhya Pradesh Sonkiya in Bihar are some such instances.

4.3.2. Historical Background of Bonded Labour in South Kanara

There was extensive prevalence of 'bonded labourers' in South Kanara even around the beginnings of this century. The Census Report for Mysore, 1901, mentions that in most of the hilly taluks of the district each wargadar, (i.e., proprietor of a landed estate) owned a set of servants called Hattalu and Mannalu.¹¹ The huttalu was the hereditary servitor of the wargadar family, born in servitude and performing agricultural work for the landlord from father to son. The mannalu was a serf attached to the soil and his masters changed with changes in ownership of land. Hattalus and mannalus usually belonged to the Holeya community, a scheduled caste in South Kanara.¹² The district manual for 1894 for South Kanara¹³ classified agricultural workers in the district into mulada holeyas and salada holeyas.¹⁴ The former were hereditary serfs, attached to mulwargas (i.e., to landed estates), whereas the latter were 'debt slaves', i.e., those working off a debt.

11. Huttu-alu = Huttalu; Huttu = birth; alu = servant.
Mannu-alu = Mannalu; Mannu = earth (land).

12. See Kumar, D (1965); p. 39 and 40.

13. Sturrock (1894). 14. Mula = origin; Sala = debt.

Though such a system of 'agrestic servitude' has disappeared to a considerable degree in South Kanara, its vestiges still remain. For example, the 1961 Census¹⁵ noted the presence of mulada alugalu -- in all probability, the same as mulada holeyas -- in a scheduled tribe community in the district known as meras. However, the report also noted that this system was becoming obsolete over the previous two or three decades.

4.3.3. Bonded Labour in South Kanara To-day

As already stated, we had 3 bonded labourers in our sample of 52 agricultural labourers.¹⁶ All of them were Harijans and were employed by big traditional landlords who dominated the village they belonged to. In each case, the village was located in an extremely backward region of the district.

As is to be expected a priori, there was little or no specification of jobs to be performed by these labourers. They simply had to do whatever job -- agricultural or domestic -- that their employers asked them to do. It follows that there is also no concept of work-measure in defining the payment to be made to them. As noted earlier, the labourer "pledges his person" to the employer concerned,

15. See Census of India (1961b).

16. Thus the incidence of bonded labourers does not seem to be significant in our district. The same, it appears, holds true for other parts of the country also. See, Bardhan and Rudra (1980); Bardhan (1980).

which takes the form of "full-time service in a dependent status". In such a situation, the employer has to ensure the bare subsistence of the labourer in a direct way, so that the payment takes on the characteristics more of a 'sustenance' than a 'transaction' proper. Further, the payment is directly of almost all the bare necessities like food, clothing and shelter, and lacks a precise 'form'.

All these features were observed in the 3 cases of bonded labourers in our sample. In one case, the labourer was provided with 3 meals and one coffee per day and 2 to 3 pairs of clothes per year. He was also entitled to 2 muras of rice a year, but this was adjusted against the outstanding loan with the landlord. In the second case, the labourer (a female labourer) was provided with just 3 meals and one coffee per day and one pair of clothes a year. The third bonded labourer stayed in a corner of the landlord's cattleshed and was paid one seer of rice and small quantities of salt, chillies and tamarind etc., for his daily meals which he cooked on his own. He was also given a pair of clothes a year, and was entitled to two muras of rice per year, again adjusted against his loan with the landlord.

Let us now come to the personal case-histories of the 3 bonded labourers in the order discussed above.

The first labourer belonged to Kodimbady village in Puttur taluk and identified himself as belonging to a

mulada alu family. He claimed that his family was cultivating land leased on chalgani tenure until about 15 years ago. Because of some crop failure it was not possible for them to pay the rent for a few years in succession. They were forced to give up the land by the landlord in the early sixties. The landlord gave them homestead land and in return he, along with his brother, have been working as mulada - alugalu with the same landlord ever since. The accumulated debt -- the unpaid rent constituting the major portion of it -- had not been repaid so far. They also kept taking small quantities of rice (about half a mura per year) on loan from his landlord every year, on which the landlord did not charge any explicit interest. The two brothers who have been working as mulada-alugalu had to work for the landlord all through the year and could not leave the homestead land till the loan would be repaid. Other members of the household were, however, not mulada alugalu; but they had a beck-and-call relationship with the landlord.

As mentioned, our second bonded labourer in the sample was a female worker. She was a resident of Koyyuru village in Belthangady taluk and belonged, again, to a mulada-alu family. The family had migrated from the ghats about 30 years ago and had taken a homestead from a traditional landlord in the village. Two female members of the household have been working as mulada-alugalu in the landlords house ever since. The respondent reported that the household

was not indebted to the landlord, and the bondage was because of the homestead land only. Again, other members of the household were not mulada-alugalu but had a beck-and-call relationship with the landlord.

The third labourer belonged to Yerlapady village in Karkala taluk and can be classed as a salada alu. His was a single person family unit without supporters or dependents. To begin with, he had a beck-and-call relationship with his landlord. Then he migrated to the ghats where he stayed with some relatives. When his relatives all died, he came back to his old landlord and worked for him again under a beck-and-call relationship. Then he fell ill and took some loan from his landlord for his treatment. After he was cured he started staying in a corner of the landlord's cattle-shed working as salada-alu. This has been continuing for the last eight years. So far, he has not been able to repay his loan. Even now he takes some cash loan from the landlord once in a while. He does not keep any accounts of these loans -- does not even know whether any interest is charged on the loan or not.

This completes the account of bonded labour as it exists in our economy today. Let us conclude by pointing out one significant difference of it from the system of agrestic servitude out of which it has grown. The basic unit in which the agrestic servitude of the past was defined was in

general the labourer's family as a whole, i.e., each member of a family under this system was in general a bonded labourer. As is clear from the case-histories given, this is not the case with the bonded labour system as it exists now. While some of the members of the labourer's family are bonded labourers, others may have a less restrictive relationship with the employer though they will not in general be completely 'free'. In this sense, the system as it exists today seems to be 'milder' compared to its progenitor.

4.4. BECK-AND-CALL LABOUR

4.4.1. The Four Categories of Beck-and-Call Labour in Our Economy

We stated earlier that all beck-and-call labourers in our sample had some definite prior relation or other with the employer which in fact lay at the whole basis of the beck-and-call relation. Seen from this standpoint, the whole category can be divided into four sub-categories, the prior relations being as follows:

- a) allotment of a small plot of rent-free land for cultivation;
- b) provision of rent-free homestead land;
- c) provision of loan;
- d) provision of both rent free homestead land and loan.

The "allotment" in (a) is generally known as "tie-in-allotment", so that we can refer to the category itself as "beck-and-call labour based on tie-in-allotment." For convenience of reference we may also call the labour categories corresponding to (b), (c) and (d) as "land based", "loan based", and "land-cum-loan based" beck-and-call labour respectively. Just as the loan here is a consumption loan, so also land under reference is homestead land, not cultivable land. This should cause no confusion, for cultivable land comes separately under the first category.

Among the 4 categories, the first one appears to be very rare. The second and third categories constitute the bulk of unfree labourers in South Kanara, amounting to a very significant proportion of the total agricultural labour force in the district. Within this, the second category, viz., the land based beck-and-call category, is the more numerous. The fourth category, which appears to be the most restrictive of all, is concentrated in certain pockets, but does not make up a very significant part of the whole.¹⁷

17. The Land Reform Acts of 1961 and 1974 have not led to any decrease in the incidence of beck-and-call labour in the district for the simple reason that the homestead land has not been brought under the purview of these laws. If anything, 1961 Act might have led to an increase in its incidence with the evicted tenants joining the army of agricultural labourers. In our sample of 52 agricultural labourers, 27 reported that they were owner-cultivators or cultivating tenants sometime in the past and had to become agricultural labourers having lost the land some way or other.

We noted earlier that exactly half of our 52 agricultural labourers in our sample belonged to the category of beck-and-call labourers as a whole. Within this, only one belonged to the first category. As many as 16 belonged to the second, 6 to the third and 3 to the fourth.

4.4.2. Beck-and-Call Labour Based on Tie-in-Allotments

The sole respondent in our survey belonging to this category was a resident of Achlady village in Udupi taluk. He was originally an owner-cultivator with about 3 acres of land which he lost when he mortgaged the land for a loan of Rs.500 about 20 years ago. Later, he became a tenant on the same land. About four years ago the landlord evicted him and he moved to another landlord from whom he got 20 cents of paddy land free of rent in return for a beck-and-call relationship. The landlord also provided him homestead land without rent, but there was no credit-relation.

4.4.3. Land Based Beck-and-Call Labour

This category is by far the most widely prevalent among all the unfree labour relations in South Kanara. All over the district, landlords, both traditional and non-traditional, as well as big and medium-sized owner-cultivators provide homestead land to landless labourers in return for a beck-and-call relationship. Agriculturists who were tenants themselves very rarely entered into such

a relationship with a landless labourer. Let us recall in this context that no sub-tenancy is allowed in the chalgeni tenancy system. Hence a chalgeni tenant cannot provide homestead land to labourers on the land leased in by him. While mulgeni tenants or owner-cum-tenants can provide homestead land to labourers, they constitute only a small proportion of all tenants in South Kanara, as we have already noted.

The class of labourers under reference are known as husi okkalu or coolie okkalu in the area, and the person who provides a homestead to such a labourer as their dhani.¹⁸

Provided that a labourer in the category under reference is not indebted to the employer, he is free to leave the homestead whenever he wants to. Hence he has a beck-and-call relationship with the 'landlord' only so long as he occupies the homestead. Let us clarify the element of loan referred: so long as the loan gets cleared every year and does not get carried over, it does not introduce any additional feature into the system. When the loan actually gets carried over, we really move on to the fourth category. So far as the present category is concerned, the loans are usually small, consumption loans granted by 'landlords' to the labourers

 18. Coolie = labour; okkalu = tenant; dhani = landlord; husi = blank. Husi okkalu perhaps denotes a 'tenant' with no agricultural land.

which are regularly cleared off. Such loans are very generally observed within the system. It is interesting to note that for a labourer under this category a credit relation with someone other than his 'landlord' cannot be the basis for a fresh beck-and-call relation. The element of land has, in this sense, a priority over the element of 'credit' in the case considered.

The category of beck-and-call relation under consideration is found all over the district. Its incidence appears to be particularly high on the coastal belt. Absentee landlords who retain a part of their land for 'self-cultivation' invariably have a few cooli okkalu. This system ensures the supply of labour for agricultural operations, especially the crucial harvesting operation, to such landlords at the time of their annual return to the villages for self-cultivation. Seen from the labour standpoint, the high incidence of land based beck-and-call relationship in the coastal area appears to be an outcome of the high population density in the area. It is extremely difficult for a poor landless agricultural labourer family to obtain any homestead land within its means. In certain parts of the district, such families can occupy and stay in 'government land', though it is illegal. There is very little such land in the coastal belt.

4.4.4. Loan-based Beck-and-Call Labour

This category of beck-and-call labour is also prevalent all over South Kanara, though to a lesser extent than the previous one. All over the district, landlords and big or medium owner-cultivators provide small consumption loans to agricultural labourers in return for a beck-and-call relation. The agricultural labourer can be a landless labourer,^a poor peasant or poor tenant. Such loans require that the labourer does not have a beck-and-call relation with any other employer either because of his homestead or because of some other loan. The beck-and-call relationship continues till the loan is repaid. Often the loan gets carried over the years, and hence the relationship can also continue for a few years.

4.4.5. Land-cum-loan Based Beck-and-Call Labour

This class of beck-and-call labour is by far the most restrictive and appears to evolve out of the second category. We have already mentioned the general prevalence of loans from 'landlords' to labourers which are regularly cleared under the land-based beck-and-call relation. The class under reference is distinguished by the presence of a long-standing debt accumulated over successive years. Thus the relation generally begins with the homestead land but as the loans are carried over, it is the accumulated debt which becomes the crucial prior relation, in that

the labourer cannot leave the homestead till the loan is repaid.

As already mentioned this system was found to be prevalent only in certain parts of the district. These pockets -- like Ammunje, Amtady and Mundkooor villages -- belong to well irrigated regions of the district with a high cropping intensity. By the nature of cropping pattern noted earlier,¹⁹ there are certain crucial periods of high labour requirements in the regions, when the harvesting for the first crop and ploughing for the second crop, are more or less carried out simultaneously. The 'employers' of this category of labour are found mostly among the traditional landlords undertaking the kind of cultivation referred.²⁰ The period of maximum employment coincides with the busy season, and the employment in this season is in the nature of a short term contract, say for a month or two.

4.5. SPECIAL DOMAINS AND CASES OF UNFREE LABOUR IN OUR ECONOMY

4.5.1. Migrant Labour

As we had noted earlier, large scale seasonal migration takes place from all over South Kanara to the ghat areas of adjacent districts of Shimoga and Hasan where they work both

19. See chapter 2, p 45.

20. However, even these landlords in these regions appeared to have a larger number of labourers under the land-based beck-and-call relation than under land-cum-loan based beck-and-call labour.

in areca gardens and paddy fields.

Formerly, this was based upon a system of labour contractors who were locally known as sheregaras or mesthris. They used to strike a deal with the plantation-owners or paddy-cultivators who would advance money to them, which the latter would advance to the labourers as loans. After taking these labourers to the ghats, the contractors would provide them with a place to stay and pay a fixed salary. They also sold to these labourers their daily requirements like salt, chilly, cocoanuts etc. The contractors kept all the accounts, which were widely believed to be fraudulent.²¹ After deducting the price of these daily requirements sold to them and also the interest on, and a part of the principal of, the loan advanced to them, the contractors left the labourers with hardly any claims at all, so they returned empty-handed. The loan usually kept accumulating and it was not uncommon for a labourer to go with the same contractor for years together. In some cases even the children of the labourer had to work for a contractor to pay off the debt.²²

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21. So much so that the term 'sheregarana lekkha' meaning 'sheregara's accounts' was used in local parlance to mean 'fraudulent accounts'!
22. A vivid description of the way this system of 'debt-bondage' used to work is given in a Kannada novel Chomana dudi by K.S. Karanth.

Over the last two decades or so, this particular system appears to be on its way out. We came across this system only in one village, Kemminje in Puttur taluk. Even here, the system appeared 'mild' compared to what it was before. About 10-15 Harijans from this village went to ghats for about three months in a year with a mesthri. All of them were indebted to the mesthri and had to work for him till the loan was repaid with interest. The mesthri took the labourers to the ghats, provided shelter, and paid a fixed salary. However, he did not sell them their daily requirements. The usual debt a labourer had with a mesthri was reported to be about Rs.200, and this needed about four to five years to be worked off.

In general however, this system of 'contract labour' is now-a-days giving way to a system of direct relationship of labourers with their employers in the ghats. Even here, quite a few of the labourers have got indebted to the employers and have to work for them till the loan is repaid. In Kodimbady village in Puttur taluk we came across a Harijan family two members of which -- the respondent's son and daughter -- had been in the employment of a particular employer in Mercara (in Coorg district) for about 2-3 months ever year for the last 20 years. The family has not yet been able to work off a debt.

4.5.2. Subsidiary Occupations

Similar unfree labour relations also exist in subsidiary occupations like clay work, beedi-rolling and shell-picking.

The clay contractors -- who very often happen to be traditional landlords -- advance some cash to young, able bodied men in the village during the lean season (monsoon). This advance is recovered as cuts in wages at the time of clay work, which comes about 3 months later. The labourer cannot leave the particular contractor till the loan is repaid, which usually takes about 2 to 3 years. This ensures a supply of cheap labour for a strenuous job for the clay contractor.

Beedi rolling is a relatively light household activity over the entire district. The beedi contractors typically advance very short term loans which are repaid in a fortnight or so. However, the labourer often takes such advances continuously, with the result he always remains in a small unpaid debt and cannot switch over to some other contractor till the debt is cleared.

4.5.3. Some Special Cases

We report here some instances of rather extreme forms of 'forced' labour which we came across in the course of our field-survey. These are best treated as rather 'isolated' cases without amounting to a definite 'type'.

One of these cases was found in Halady village in Coondapoor taluk. Here one traditional landlord dominated the whole village and forced his tenants and agricultural labourers to work not only on his land but also in his tile factory for very low wages. It was 'forced labour', pure and simple, with the labourer enjoying no freedom at all.

The other case was observed near the ghats in a pilgrim area, Dharmasthala in Bethangady taluk. Large tracts of land -- some local people put it at 16,000 acres -- belonged to the temple in the area and a substantial portion of this land had been leased out to a large number of tenants. The tenants do menial jobs for the temple -- especially during the festivals -- for low wages. Apart from the economic, social and political power wielded by the head of the temple, the role played by religious factors in restricting the freedom of the labourer was unmistakable. Whenever the temple head demanded some work, the tenants would put aside any work they would be doing at the moment to do 'devara kelasa' i.e., 'god's work'!

4.6. ASPECTS OF THE WAGE-EMPLOYMENT SYSTEMS

Field cultivation consists of a series of operations, or 'jobs', spread over the year. The nature of these operations, the way they are spaced out, the exact times of their beginnings and endings may vary widely depending upon the crop (or crops) raised, climate, soil etc. So, it is

natural that one would come across a whole variety of 'contracts' for agricultural labour, which are obviously conditioned by the demand-supply position of labour as well as by custom, tradition etc. For example, a particular operation may often be restricted to a particular sex of a particular caste. All these are aspects of the heterogeneity of agricultural labour in India.

We have already observed the variations in the 'contract' for agricultural labour in our economy in terms of the fundamental nature of the labour relation. Outside this, the contract appears relatively simple and straight forward, with only a rather limited range of variation in respect of the payment of wages and related aspects of the employment contract, i.e., for 'wage-employment-systems' as a whole. This means, in particular, that so far as these systems are concerned, no great significance attaches to the distinctions between 'free' and 'unfree' (beck-and-call) labour as such. We shall return to this at the end of the section.

We have to begin with one fundamental character of agricultural labour relations in our economy, viz., the only long term labour relation one comes across is the bonded labour relation, which in turn does not fall within the domain of our present discussion. The category of 'annual farm servants' observed in many parts of India is almost totally absent. It follows that by and large one

can talk of wage-employment-systems in our economy for specific agricultural operations, which is a great advantage for organising the discussion. We shall limit the discussion to the four major agricultural operations: harvesting, ploughing, transplantation and weeding, of which the first is no doubt the most 'critical' of all.²³

The single most important wage-employment-system for agricultural labour in South Kanara is the daily labour system where labour is simply hired and paid by the day. The "day" as a measure of work is generally understood very roughly as "sunrise to sunset", with the labourer being 'paid off' at the end of each work-day and coming up for 'fresh' employment the next day. In certain cases, however, the unit of work is not a "full day" understood as above but "half-a-day" (from sunrise to the time of closing of the morning session of the local primary school!).

The general incidence of the daily labour system in the district shows an interesting variation. So far as the most important and 'critical' of all agricultural operations, harvesting, is concerned, the system is found to be prevalent only over a somewhat restricted 'zone' or 'region' in the district, comprising of Mangalore and Buntwal

23. All the operations in harvesting -- like reaping, carrying the harvest to the threshing floor, threshing and winnowing -- need sunshine and it is often the case in South Kanara due to its weather that only a few such days would be available during the harvesting season. So, within this short time span there is usually a very heavy demand for labour.

taluks and part of Karkala taluk adjacent to Mangalore taluk. By contrast, ploughing and weeding come exclusively under this system all over the district as does transplantation in most parts of the district.

Thus, so far as the four major agricultural operations are concerned, it is only transplantation in certain limited parts of the district and harvesting over a rather large area that do not come under the daily labour system. The main feature distinguishing the entire remainder of transplantation and much of the remainder of harvesting is an element of piece-wage. There appear to be two distinct systems in prevalence, one for transplantation and one for harvesting. Interestingly, the geographical areas of their operations also appear to coincide and consist of Coondapoor and Udupi taluks and parts of Karkala taluk adjacent to these two taluks.

The system of transplantation is as follows: The measure of work is the number of sapplings transplanted, the basic unit being a 'handful of sapplings' known as a hidi in the area. There are some variations in the 'amount of work' a labourer is supposed to perform in a day. However, only two 'standards' or 'norms' appear to be known as common, viz., 80 and 60 'hidis' of transplantation of sapplings per day per labourer. Both 'standards' appeared to be applied for the kharif crop, though in different areas

or villages, while only the second 'standard' appeared to apply to the Rabi crop. In spite of the variation, the common practice appears to be that the labourer manages to perform the 'standard' set in a day. Thus, in effect, he also comes to be hired and paid by the day.

The system for harvesting is more complex, having certain features of 'contract' labour as well. Here the whole harvesting of a small plot of land measuring one koylu²⁴ in the local measure of land (which is one-fourth of a mura of land, or roughly 10 cents) is given to one male and one female labourer as a 'team', usually belonging to the same family. The female labourer usually reaps the harvest and the male labourer carries the harvest to the threshing floor. The unit of work is thus harvesting of a koylu of land, and the wage is fixed on this basis. As a rough 'norm', a pair of workers takes one day to complete the harvesting of one koylu of land. However, they may continue the job for successive koylus of land belonging to the same employer and take their wage as a 'total' after the harvest. There does not appear to be any fixity regarding either the total amount of work to be done or the number and timings of wage payment as per a 'single' employment contract. This is its main distinction from the daily labour system as well as the piece wage system for

24. Koylu literally means 'the harvest'.

transplantation discussed above. Let us note, however, that since there is a 'standard' or 'norm' regarding the amount of work per day per labourer, the wage paid per 'piece' of work can be converted into a wage rate per day.

It remains to consider the wage-employment systems for harvesting in the remaining areas of our district, viz., Sullia, Puttur and Belthangady taluks. This appears to be a very 'special' one which can be described as 'contract labour proper with the additional feature of wages being paid as a fixed share of the produce. Here an employer would employ a 'gang' of labourers entering into a contract with the gang leader for the whole harvesting of the land under his cultivation. The precise number of workers and the duration of work do not enter the 'contract'. The gang receives a single lump sum wage for the entire work after its completion, and divides it up between themselves. As mentioned, the wage is fixed in advance as a share of the produce, i.e., the amount actually harvested. This share is found to be uniformly 1/11 th of the harvest as a whole over all the areas where the system is in prevalence. Obviously it is not possible to convert this into a wage rate.

So much for the distinctive features of the wage-employment systems in our district for the specific operations. The form of wage, while showing minor variations over the district, is generally common over

the different systems, wages being paid mostly in rice or paddy. Before coming to the details, let us discuss briefly a significant 'structural' aspect of the systems, viz., the incidence of male/female labour for the different operations.

Both male and female labour is employed without discrimination for harvesting. In fact, both the male and the female agricultural labour force in the district appears to be fully employed during the peak harvesting season. This is not surprising in view of the 'critical' nature of the operation noted above.

Outside harvesting, ploughing is reserved exclusively for male workers. This needs no explanation. In transplantation and weeding there is a significant variation in the sex composition of workers over the district. In Coondapoor, Udupi, Karkala, Mangalore and Buntwal taluks these operations are earmarked exclusively for female labourers, while in Sullia, Puttur and Belthangady taluks both male and female labourers are employed for these operations. It is interesting to note that this divisioning of the district roughly coincides with the divisioning done on the basis of ratio of male to female agricultural labourers. We may recapitulate here that in Coondapoor, Udupi, Karkala and Mangalore taluks female agricultural labourers far outnumber the male agricultural labourers. In Sullia, Pullia, Puttur, Belthangady and

Buntwal taluks, on the other hand, male agricultural labourers outnumber the female labourers. Thus, with the exception of Buntwal taluk, the degree of specialisation of labour between sexes seems to be related to the male-female ratio in the agricultural labour force.

Let us return to the form of wages, which, as already pointed out, is in general a common feature over all the systems, viz., the wage is paid in the produce itself, i.e., paddy or rice.²⁵ Within this, we may make the following observations:

Almost invariably, wages for harvesting are paid in paddy and wages for other agricultural operations are paid in rice.²⁶ This has an obvious explanation. A labourer for harvesting is clearly paid out of his own day's work as obtaining in the form of a certain amount of paddy actually harvested by him that particular day. This is therefore, the natural form of wage payment. By the very timing of other operations, the produce from the previous harvest from which wages have to be paid is mostly already converted into rice so that the wage can be paid only in rice, not in paddy.

25. It may be noted here that labourers employed in the areca gardens in the ghat sections were also paid mostly in paddy.

26. There were some minor exceptions to this. In parts of Mangalore taluk the harvesting wages were also in rice. On the other hand in Sullia and Puttur taluks all the wages, including for operations other than harvesting, were in paddy.

Second, the wage paid for ploughing includes the mid-day meal of the labourer besides the main wage paid in rice. This wage in 'kind' appears to be absent for all other operations (although minor items like a tea and a few beedis per day are often provided to the labourer). This again admits of an obvious explanation, viz., ploughing is a much heavier operation than all the others.

The only exception to the wage forms described above is a system of money wage found to be prevalent for all operations in certain highly 'monetised' areas of the district, viz., coastal areas of Mangalore taluk.²⁷ We may note in the passing that rent too is often paid in money in these areas as we have already noted. (See p 75).

Let us now come to the magnitude or level of wages. We shall conduct the main discussion in terms of the wage rate understood as daily wages in rice, converting, as necessary, paddy into rice as per the conventional conversion factor (2 seers of paddy = 1 seer of rice) and the piece wage rates to the daily wage rate as per their 'standards' in the two cases discussed. We have obviously to leave out the magnitude of wages for the 'share cropping' contract labour for harvesting (rather, there is nothing to add beyond that the wage is fixed at 1/11th of the harvest). The structure of agricultural wages in our economy (as of

 27. In certain interior parts of Coondapoor taluk the wages for ploughing are in cash. Surprisingly these areas happen to be one of the most backward areas of the district with traditional landlords having a complete control over the economy of the area.

the survey time, i.e., for 1975-76) can be outlined as follows:

There appears to be a definite 'standard' agricultural wage rate of 2 seers of rice per work-day. This appears to apply more or less uniformly over the entire district for harvesting and transplantation. The wage rate for ploughing is uniformly higher, the 'margin' corresponding to the mid-day meal given to the labourer. That is, the daily wage for ploughing is simply 2 seers of rice plus the mid-day meal for the labourer.²⁸ The wage rate for weeding on the other hand is somewhat lower, as well somewhat variable over the district. The general range appears to be 1 seer of rice to 2 seers of rice per day per worker. We have already noted the heavy work required for ploughing which appears to explain its higher level. The generally lower level of wages for weeding may be related to the fact that the operation takes place during the 'lean' season when the demand-supply position of labour is unfavourable to it. By the same argument, however, the wage rates for harvesting should have been 'higher' -- at least higher than transplantation. This, as already seen, is not generally the case. Further, the regional variations in the wage rates for weeding do not appear to be related to the demand-supply positions of labour by the different regions of the district as set out in section 1.

28. The practice of an agricultural labourer taking his own bullocks for ploughing appears to be absent in the district. Hence the wage rate for ploughing is not appreciably different from the rates for other operations.

The structure of agricultural wage rates in our district described above has a clear significance from the standpoint of the spectrum of labour relations, viz., the same wage rate generally applies to both the 'free' and 'unfree' (beck-and-call) labourers. Thus, the provision of homestead land or loans to the worker, does not, in general enable the employer to reap any differential advantage in the form of a lower wage. Hence the main significance of these 'prior relations' from the employer standpoint has to be sought elsewhere. As already pointed out, the significance appears to be basically an 'assured supply of labour' for critical operations (especially harvesting), which is clearly rooted in the technical conditions of agricultural work.²⁹

There is one significant exception to the general conclusion noted above. In the ghat section of Sullia and Puttur taluks of our economy, there appears to be a general system of wage discrimination based upon prior relations. Specifically, the beck-and-call labourers here, whether loan-based or land-based, are found to receive a lower wage for the same work than the free labourers, the margin of discrimination being of the order of 10-15 per cent.

29. We may also point out in this context that when both male and female labourers are employed for an operation, there does not appear to be any wage-discrimination between the sexes. On the other hand, an operation like weeding, which is mostly done by female labourers, carries a much lower wage rate compared to other operations.

Let us note that this is precisely the region with a high incidence of both a cash crop (areca) on the one hand, and of a hired-labour based mode of cultivation on the other. In areca cultivation, the element of wage-discrimination appears to be true over all operations like plucking arecanuts, dehusking, spraying insecticides etc. In paddy cultivation, on the other hand, the discrimination is found to be restricted only to the less important operations, viz., ploughing, transplanting and weeding. For the most important operation, viz., harvesting, the wages for both 'free' and 'beck-and-call' labourers are the same. Thus, the element of wage-discrimination, i.e., the system referred, is a more general feature of employment for areca cultivation than for paddy cultivation. It is to be mentioned in this connection that operations for areca cultivation are rather evenly spread out over the year,³⁰ so that the peak season for agricultural employment continues to be given by the harvest of paddy. It is possible that the relatively strong position of labour prevents any general system of wage-discrimination for the harvesting operation.

Given the general absence of any differential wage to beck-and-call labour on account of the prior loan or land relation in other parts of our district, the above system is clearly to be seen as a specific regional feature arising out of the special characteristics of the region. We shall return to this at the very end of the chapter.

 30. They are also of a more 'intensive' kind than those for paddy cultivation and command higher wage rates. This is not taken as an instance of wage-discrimination.

This completes our description of wage-employment systems for specific agricultural operations. Outside of this, we have only one 'system' to discuss. This applies exclusively to land-cum-loan based beck-and-call labour and has already been touched upon earlier (See p 117). Let us recapitulate that the region where this relation is prevalent enjoys good irrigation facilities and has a high degree of cropping intensity. The labour category referred is employed on a short term contract, say for a month or two, for a very busy agricultural season when the harvesting for one crop and ploughing for a second crop are carried out more or less simultaneously on different plots of land belonging to the same employer. The contract is for both operations, the labour at any time within the contract period being devoted to the 'job' that is most pressing at that time. If any time is left after this, then the labourer is put on any 'job' whatsoever, whether on the farm or in the employer's household. This operates within the general restriction of work from sunrise to sunset.

There is a lump sum payment to the labourers concerned covering the entire contract period. The amount is fixed in advance and is paid exclusively in rice. There is no fixity in the number of instalments of wage payment. The wage for a two month contract period was found to be $2\frac{1}{3}$ muras,³¹ i.e., 98 seers, of rice. This was clearly much

31. In local measures it was 2 muras and 1 kalasige.

lower than the standard daily wage rate of 2 seers for harvesting. The standard daily wage rate for ploughing being somewhat higher, there appears to be a clear element of wage-discrimination between the 'system' for the particular category of unfree labour under reference and the 'systems' applying to all other labour within our broad group. We have already observed that the category under reference is the most restrictive one among all beck-and-call labour relation in our district. The employers are also mostly traditional landlords, wielding a significant general power and control over the villages concerned. All these can be cited as explanations of the particular wage-discrimination found. It is to be stated however that whether or not this 'discrimination' is a genuine one remains somewhat of an open question. For one thing, the labourers concerned have an assured employment for a significant stretch of time. It may not be proper to compute their alternative wage-income for the contract period as a whole on the basis of the standard wage rates for harvesting and ploughing operations. Secondly, the 'job' that the labourer may be put to for the residual period, after harvesting and ploughing, may be relatively light, for which no outside standard of reference exists.

This completes the discussion of wage employment systems prevailing in our economy. Let us end the discussion by reviewing the whole spectrum of agricultural labour

relations in our economy from the standpoint of 'wages'. Bonded labour clearly stands out as an isolated end point of the whole spectrum. The rest of the spectrum, covering the bulk of our agricultural labour, is relatively 'close' from the standpoint of wages. It is true that one category, the land-cum-loan based beck-and-call labour, has a well-defined wage employment system for itself, the category itself being the most restrictive one within the beck-and-call labour relation. However, the wage-employment system, though quite 'special' in itself, does not represent a very sharp distinction, having a number of overlapping features with the other systems. At the quantitative level, the wages for it appear to be somewhat lower, but this cannot be very rigorously established, as just seen. The only case of a systematic wage-discrimination between free and unfree labour we do come across is obtained only where the fundamental character of our economy -- tenancy-based subsistence crop cultivation -- is no longer obtaining. As such, this is to be discussed separately at the end, as already mentioned.

CONCLUDING OBSERVATIONS

By and large, all employers of agricultural labour in our district are members of its landed class, the only exception being some small and medium tenants who may cultivate on the basis of partly family labour and partly hired labour. Hence the operation of the labour market as a whole is again a general reflection of the strength of the landed class in

our economy. This finds its basic qualitative expression in the lack of freedom of labourers discussed at length. At the purely quantitative level, a 'standard' wage rate of 2 seers of rice per worker per work-day from sunrise to sunset is a rock-bottom wage rate by all available standards.

Both of these are clear parallels to the basic qualitative and quantitative expressions of the strength of the landed class we had observed at the beginning of our concluding observations in respect of the land market earlier. Further, we also observe a clear 'differential' element in the mode of operation of the traditional landlords in the labour market as well. Both bonded labour and the most restrictive of all beck-and-call labour, viz., the land-cum-loan based category, are observed entirely within the pattern of employment by the traditional landlords. However, one cannot say categorically that the terms and conditions of employment in the market as a whole reflect their strength in particular, for the employers are quite varied.

Let us now review the various categories of unfree labour relations discussed through the chapter from the standpoint of modes of inter-relation of our markets. We have already discussed the third of Thorner's categories of unfree labour, i.e., labour rent, from this standpoint, to which we have nothing to add here (pp 99-102). Coming to

bonded labour, we have seen that the historical origin of a particular bonded labour relation generally lies in the default of rent or loan (or both) by the labourer in some distant past. As such, it too falls under the general notion of modes of inter-relation, expressing a certain dependence of the labour market on the way the land and credit markets function. Clearly, this is a long run and essentially a historical mode of inter-relation, any detailed discussion of which falls outside the scope of our study by the very time-frame of reference needed for the purpose. We may point out in this connection that a similar longrun or historical mode of inter-relation may obtain behind the very pattern of landownership which we have taken as the fundamental social datum. The reference here is to the debt mortgage of land and similar other land transfers, which we simply have not gone into.

Returning to labour market, all the categories of the beck-and-call labour relation clearly come under the general notion of modes of inter-relation. Of these, the loan-based categories will come up again for discussion in the next chapter, when we shall look at them from the standpoint of the credit relation.³² Leaving this out for the present,

32. This will also provide a more comprehensive context to clarify the logical structure of the beck-and-call labour relation in our economy in general. We shall, therefore, return to some of the observations made below in that context and view them in more comprehensive terms.

we may confine ourselves to what we called the land-based beck-and-call relation because we do not have any 'general' information for the rather rare case of tie-in-allotments.

The 'land' that is at the base of the relation referred is homestead land so that the inter-relation takes us outside the strict boundaries of agricultural land. Thus, we cannot talk of the 'land market' as discussed by us as the 'base' of this mode of inter-relation. In fact, it is best to approach this as a general expression of the power and control of the landed class expressed directly in terms of the labour relation on the specific basis of a land relation. The market notion here is not very relevant as there would be a very thin 'market' for the lease of homestead lands anyway. In this sense, the mode of inter-relation takes place outside a strict market frame.

This is also clear from another point, viz., no rent is charged by the landlord--employer for the homestead land of his beck-and-call labourers. This has greater significance for our overall subject. Let us recall in this context the general absence of wage-discrimination for beck-and-call labourers in our economy. Thus the relation, though a general expression of the power and control of the landed class, is not directly used by them for any 'extra' surplus, either in the form of rent charged on the homestead land or in the form of a lower wage paid to the labourers. As mentioned, the main ground for the provision of homestead

land is an assured supply of labour for critical operations, so that the whole mode of inter-relation may be said to be rooted in the technical nature of agricultural work.

This however still does not explain why the same relation is not also used for surplus extraction, especially in view of the general demand-supply position of labour. While we do not have any direct or satisfactory answer to this question, let us recall that it is only in the ghat sections of our economy that one comes to observe a systematic discrimination of wages of beck-and-call labourers (p 132). This is precisely where tenancy as the basic mechanism of surplus extraction recedes into the back-ground, being taken over by the direct employment of wage labour. There is, therefore, a much greater stress on the entire provisions of the wage-employment contract for the extraction of a surplus by the landowners. The integration of a system of wage-discrimination into these provisions can perhaps be seen as an aspect of this 'greater stress'. This is only to suggest a general frame of reference for the question, no more. The whole question appears to take one back to the general question of the degree of integration of the labour market as such into the basic structure of a backward agricultural economy, which we have agreed to leave as an open question in this study.

CHAPTER 5CREDIT MARKETINTRODUCTION AND OUTLINE

It was pointed out in chapter 2 that our district has an extremely well developed network of organised credit agencies, their incidence in terms of population per bank branch being the highest among all agricultural districts in India. Even though organised credit by itself does not fall within the proper scope of our study, it is necessary to begin with a brief account of its general nature as observed in our economy in view of the fact that by its very incidence organised credit in our economy must have a general significance for the nature of its rural credit proper.¹ This is done in section 1 below, which simply takes care of a broad factor in the background of the proper scope of our study of the credit market of our economy.

A very important fact about rural credit in our economy is the wide prevalence of a system of grain loans from landlords to cultivators (tenants and poor peasants but not landless agricultural labourers) for their regular consumption over part of the year. Like the chalgeni tenancy studied earlier, these loans, known as holi loans, are an indigenous feature

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1. Throughout this chapter we understand 'rural credit' as defined in chapter 1, having both the borrower and the lender as members of the rural economy.

of our economy, representing one of its most important local institutions. Unlike the arrangements for chalgani tenancy, however, those for holi loans appear to define a 'system' proper in the sense of a number of strong, central features which are already clear from the description of the loan parties, the loan form and the loan purpose given. It is also something in which the general themes of our whole study -- the power and control of the landed class, surplus extraction on the basis of land and the modes of inter-relation of markets in a backward agricultural economy -- get united. The holi loan system (HLS) as we may call it, is therefore the central 'object' of our study in this chapter, and represents its very 'core' (section 2).

Organised credit and holi loans are the two major components of the 'total' credit market in South Kanara. Once these two are taken out, we are left with a heterogenous residual. One component of this residual is the 'other side' of the loan-based beck-and-call labour relation studied in the last chapter, i.e., loans from employers to labourers or workers. Another clear component from our general standpoint is given by the fact that the landlords in our economy also extend some loans to their tenants outside HLS. Both of these are clear instances of market inter-relations observed in the credit market of our economy and come in for special study. In section 3 we shall begin with a general account of the 'residual' credit market, so to say, and come to these two

components. We shall discuss the landlord-tenant loans first because it is a relatively minor component which is separated out only because of our own special interest. On its own, it is very much on par with various other 'types' of rural credit in our economy of which only a very general account is given at the beginning of section 3. Its placement immediately after this maintains a certain continuity in the order of discussion. Employer-worker loans in our economy, on the other hand, are quite widely prevalent and make up a significant 'type' by itself, as should be clear from the account of its 'other side' given in the last chapter. Thus, our use of the term 'residual' as a cover of all loan-types discussed in section 3 is to be taken in the purely literal sense that we discuss here loans other than organised loans and holi loans which remain by themselves the most important 'types' in the 'total' credit market of our economy.

It is clear from the introduction given above that the element of inter-relation is a very prominent element in the rural credit of our economy. Much of our discussion is also given to clarifications of the alternative 'modes' of inter-relation that are present. However, one particular mode of inter-relation -- that given by trader-advances to cultivators -- will be taken up in the chapter on the product market of our economy (chapter 6) and is not discussed here at all.

5.1. ORGANISED CREDIT

5.1.1. The General Nature and Incidence of Organised Credit

South Kanara happens to be the birthplace of four (of the twenty) major nationalised banks (Canara Bank, Syndicate Bank, Vijaya Bank and Corporation Bank), and of a major non-nationalised bank (Karnataka Bank). As on 30-4-1978, the district had 354 bank branches, with a majority of them located in rural areas. The population per branch of a commercial bank in the district works out to 5500 as against the state average of 13,000 and the national average of 24,000. In fact, by this criterion South Kanara stands first among all the non-metropolitan districts in the country. The district also has a good co-operative credit network. As on 30-6-1977, the district had as many as 162 registered co-operative credit societies.²

Given the basic social, economic and technological character of the economy of South Kanara, there is thus no doubt about the 'speciality' of its total or overall credit situation. This point has considerable significance for the overall scope and nature of 'rural' credit proper in the economy. However, this significance follows not so much from the quantum of organised credit or the spread of organised credit agencies, as from certain very general

2. For a detailed account of banking development in South Kanara, see Rao and Malya (1980), pp. 28-31. Also see Basu (1979), Syndicate Bank (1976), Reserve Bank of India (1975), Bureau of Economics and Statistics, Karnataka (1979), Thyagarajan, M (1975) etc.

characteristics of this credit. Let us first look into these characteristics and then see what these entail for the overall scope and nature of rural credit in our economy.

A host of official and semi-official studies testify to the general fact that organised credit in rural areas of a country like India flows predominantly to the upper strata of the rural population.³ The picture in South Kanara is not very different in spite of its well developed network of commercial and co-operative banks.⁴ Although the benefits of such a development may have indirectly percolated to the lower strata of the rural population to a larger degree in our district than in other parts of the country, the direct source of credit for them are still the private sources within the village economy.

To look further into this is to go into what can be called the mechanics of organised credit in a rural area. Let us begin with a very general point regarding the way that 'newer' types of organisations like co-operatives become 'part' of, or get 'integrated' into, a traditional agrarian set up. As we noted before, there exists a significant element of inter-personality in the relations of rural organisations dominated by 'custom and tradition' As contrasted to this, 'impersonality' comes of its own only

 3. See, for example RBI (1974a) and (1974b), Bureau of Economics and Statistics, Karnataka (1974), Rao and Malya (1980), Jakhade (1968) etc.

4. See, for example, RBI (1975); Mavinkurve and Seshan (1972) etc.

in organisations which can be termed 'bureaucratic' or 'commercial'. The two categories can be termed 'person based' and 'rule based' systems or organisations.⁵ While rule based organisations have developed on a large scale in rural India after Independence, this development took place in a context where the traditional power structure in the rural areas, especially in terms of distribution of land, remained in-tact. This led more to an interpenetration of the two systems rather than the replacement of the person-based by the rule-based. This interpenetration was very clear in the 'pattern of recruitment to the new bureaucratic structures'. Monopolising of the membership and managing committees of the rural co-operatives by landlords and rich peasants appears basically to be an instance of this general phenomenon. This is how the 'power structure' in the villages gets into the very organisation of co-operative agencies, with the consequence that the upper strata of the population are the virtual recipients or destination of credit from these sources.⁶

 5. For a detailed discussion of these concepts, see Beteille, A (1974).

6. In this context it may be worth noting here that the tendency towards diversification into non-agricultural occupations by traditional landlords was an unmistakable one in our economy. A number of them have gone in for occupations like tile manufacturing, brick-making, clay-contractors, etc. The interesting point to note here is that such traditional landlords very often made use of their dominant position in the village in furthering their interests in these new occupations also. Thus, the tenants and the 'tied labourers' of the landlords often served as a cheap source of labour in their (landlords') new ventures also.

Coming to the more specific and concrete factors, one notes that co-operatives often require or demand the ownership of land as a condition for membership, as well as land owned as collateral for the actual granting of a loan. The former takes one back to the general factor of power structure of villages we have just spoken about. The latter, viz., the collateral question, is to be seen ultimately in terms of the credit policies followed by the banks, which in turn bring out certain significant characteristics of organised credit. Let us look into these a little closely.

The overall 'structure' of co-operative societies consists of a series of tiers with the Reserve Bank of India and the State government at one end and village level primary co-operatives at the other. At every tier of this credit structure there is a large degree of dependence on funds from the higher financing agency, the problem being the most acute in the case of primary credit societies. The financial responsibilities enjoined by such an arrangement, coupled with the fact that field cultivation remains heavily dependent on the monsoon in most parts of the country, has tended to make the primary credit societies over-cautious in their lending operations. This gets reflected in their demands for immovable property, usually land, as a collateral for loan.

It was precisely to get over this limitation of organised credit that the adoption of 'crop loan systems' for cooperatives in rural areas was recommended. Even though these recommendations

remain more on paper than in practice⁷, it is worth pointing out that even if the system were adopted matters would not have improved much.

First, the system leaves out completely the landless agricultural labourers from the eligible borrowers. Secondly, there is no provision for credit in this system for requirements other than those for agricultural production. The small farmer, more often than not, would need credit for consumption. The co-operatives, even under the crop loan system cannot make credit available for production as well as consumption needs of the small farmer for the simple reason that the sale proceeds from the farm produce of the small farmer hardly covers his total requirements of credit. Hence, either the small farmer turns to a private ~~credit~~ agency for his consumption needs, or his 'production credit' gets diverted into consumption. This appears to be the net upshot of the situation.

So far, we have talked directly about the organisation and credit policies of the co-operatives. So far as commercial banks are concerned, the channelling of credit to the upper strata appears only to get strengthened by the various 'commercial' criteria for eligibility of loans. We need not pursue these here.

7. See Reserve Bank of India (1975).

5.1.2. Significance of Organised Credit from the Standpoint of 'Rural Credit' in our Economy

One clear significance of the incidence and character of organised credit in the district is simply that the upper strata of the agricultural population have their credit needs satisfied basically from this source.⁸ The credit needs of the lower strata, as already pointed out, are basically for consumption purposes. On the grounds of both this loan purpose and the general lack of a 'formal' collateral which these people are able to offer, they have hardly any access to organised credit and must turn to sources within the village economy who are prepared to grant a consumption loan without 'collaterals' (at least 'formal' and 'tangible' collaterals).

Two broad characters of rural credit in our economy in the main follow from this. First, the credit flows basically from the upper to the lower strata of the population and is for consumption purposes. Second, the borrowers are able to obtain the loan on some basis other than formal, tangible collaterals. This points very broadly to some prior relation with the creditor as the basis for loans.

This completes the statement of the general nature of rural credit in South Kanara as it follows broadly from the

8. See Mavinkurve and Seshan (1972).

incidence and nature of organised credit in the district. Let us now turn to a general feature of rural credit in our economy which is only rather indirectly connected to the nature and incidence of organised credit in it.

This refers to the almost total absence of professional village money-lenders in the district, in the sense of persons who may be said to have moneylending as their principal occupation and area of specialisation.⁹ The basic reason for this appears to be rooted in broader social and historical factors. Historically, South Kanara appears to have never had any professional moneylending class. The Vaishya community which perhaps constituted the trader-moneylender class from which the professional moneylender derived his lineage in other parts of the country was absent in South Kanara. As already noted, the specialised trading community in South Kanara is supposed to have migrated into the area in the not too distant past, perhaps in the last couple of hundred years or so. The indigeneous banks established in the area around the turn of the century perhaps owe their existence to this community. These traders were basically urban based and could not develop any foothold in the village economy in the interior. This was because of two inter-related reasons: The land in the interior was highly concentrated in the hands of the Bunt community, and the traders, being immigrants,

9. Karkal (1967) also comes to a similar conclusion on the basis of his survey in South Kanara in the early sixties. So does RBI (1975) on the basis of its field study in 1967-69. In our survey we did not come across even a single instance of borrowing by a respondent from a professional moneylender.

could not make any inroads here. Secondly, the rent system and the grain loan system (i.e., the Holi Loan System) prevalent in the interior mopped up the entire surplus into the hands of the Bunt landlords. This left hardly any room for further extraction of surplus by moneylenders.¹⁰

The indigeneous banks referred above later developed into commercial banks.¹¹ It was therefore, the organised credit market in the district that was controlled by the trading community, at least till nationalisation of banks, leaving rural credit proper outside its orbit.

Given this historical background, one can tie up the incidence of organised credit and absence of professional village moneylenders in the present state of the credit market in the district, by saying that the scale of organised credit perhaps has not allowed the latter to emerge in any

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10. It is interesting to note that crop hypothecation loans developed only in the ghat areas, for cash crops as well as for paddy. These areas, as we have already seen, are not dominated by traditional landlords.
 11. See Syndicate Bank (1973). It is worthwhile noting some of the striking similarities between South Kanara and Malabar in these regards. In Malabar also the traditional caste system had only three castes; the Vaishyas were missing (See Namboodiripad, (1977)). Professional village moneylenders were absent in Malabar, at least in the beginning of this century. (See Karat, P (1973)). The landowning pattern which prevailed in Malabar -- with the dominant landholding community following a matrilineal system of inheritance -- is very similar to the pattern in South Kanara. A grain loan system known as poli was prevalent in Malabar in the beginnings of this

contd...

significant way. This can be argued as follows:

For the proper organisation of his own activities, the professional moneylender would be compelled to frame definite terms and conditions of lending which would be impersonal to a substantial degree, ensuring a certain degree of comparability with the organised credit agencies. Thus, the extension of credit in both of these would need a formal or tangible collateral (like land, gold ornaments etc.). Hence from the standpoint of the borrower these two agencies are roughly comparable in so far as the 'entry rule' is concerned. But the much higher cost of credit from the professional moneylender than that from the organised credit agencies certainly makes the credit from the latter more attractive to those who can provide the collateral. Thus, with an ~~increase~~ in the incidence of organised credit one would expect that the importance of professional moneylenders would decline. Given the absence of professional moneylenders in the 'initial conditions', so to say, the same argument can be turned around to rule out their subsequent growth or emergence. This concludes our observations on the role of organised credit in our economy.

 century (See Oomen (1976)). Indigeneous banks, controlled by traders who were immigrants into the area, later developed into a good commercial banking network in Malabar. Incidentally, Malabar is the part of Kerala state adjacent to South Kanara.

5.2 HOLI LOANS

The principal source of holi loan is the traditional landlords who extend these loans both to their tenants and to other cultivators in the village. These 'other cultivators' can be small tenants of other landlords as well as poor peasants residing in the same village. Some of the non-traditional landlords, especially the medium-sized, resident ones in the interior parts of the district, also extend holi loans. But they do so only to their own tenants. We shall comment on this point of distinction at the end of this section. Here, let us just take note of the main salient feature of the parties involved: There is a direct relationship of both parties to land. The 'lender' is a landlord. The 'borrowers' are more heterogeneous: They can be small tenants or poor peasants, but not landless labourers. They must be owners or lessees of land (or both), just as the lenders are owners and lessors.

This sets out the basic party-identifications of the holi loan system (HLS). In our sample of 40 tenants, 22 had taken holi loans. Out of these as many as 20 had taken the loan from traditional landlords leaving only 2 borrowers from non-traditional landlords. All the borrowers in the first group were tenants but only half of them took the loan from their respective landlords. The remaining half, i.e., 10 borrowers, were in fact, tenants of non-traditional landlords.

The 2 borrowers in the second group took the loan from their respective non-traditional landlord. There were no self-cultivating poor peasants in the sample. However, village level enquiries revealed that such persons also borrowed from traditional landlords under the holi loan system in the interior villages where the latter were in a strong position.

Barring exceptions, small tenants and poor peasants in South Kanara can make a living out of their 'income' for only part of the year. In rough and ready concrete terms, their stock from the harvest lasts for about 6 months in the single cropped coastal belt and for about 9 months in the double cropped interior parts. After the stock from harvest lasts out, non-agricultural employment can provide some cash income with the help of which the tenant or poor peasant can pull on for another month or two. But this option is open on any significant scale only on the coastal belt where non-agricultural work would be available in summer. In most of the interior, this option is not available. So it looks as if the tenants and poor peasants in the interior as well as on the coastal belt manage to pull on for about 9 months on stocks from harvest and on supplementary non-agricultural employment, after which they resort to consumption loans. This is the lean period, covering roughly the monsoon. As pointed out earlier, non-agricultural employment is not available during this time even on the coast.

This sets out what can be called the structural basis of holi loans. The tenants and poor peasants are clearly dependent on regular loans for a substantial part of their consumption. Part of it may come from sources like 'friends and relatives', 'village shopkeepers', etc. But the major part would have to come from the local landlords, mainly the traditional landlords.¹² This is the role played by the holi system in the mode of subsistence of small tenants and poor peasants in the economy and explains specific features of the system described below.

The HLS is a system of annual loan clearance. The loan is invariably taken within a narrow range of 3 to 4 months' duration before the harvest and cleared after it. The loan-timing is clearly a structural feature entailed directly by the structural basis of the system as discussed previously. The timing of clearance or repayment of loan depends crucially on the timing of rent payment. We shall come to this a little later. Let us first give a clearer and more substantial content to the statement that HLS is a system of annual loan clearance.

12. As is to be expected, holi loans continue to be widely prevalent in the interior parts of the district, especially in villages dominated by traditional landlords, like, Haladi, Achlady, Mundkoor, Belthangady, Koyyuru, Kodimbady, Ammunje etc. The system has almost disappeared from the coastal belt. It is prevalent only on a small scale in the ghat areas of Sullia and Puttur taluks.

There are two separate points or characteristics of the HLS that are significant in this respect. First, there is no separation between the payment of interest and the clearance of loan. The loan always carries an explicit interest and this is simply added to the loan amount in a single lump sum payment. For this reason, we shall always use the expression loan-repayment or loan-clearance as inclusive of interest payment in connection with HLS. Thus what is annually cleared is the loan together with interest. We shall get to the magnitude of interest charged a little later.

The second point is that the loan repayment in fact represents the first obligation of the tenant-borrower, taking priority over the payment of rent. The rent can in fact be sometimes deferred, not the loan-repayment.¹³ The clearance of the loan within the year is thus of an 'obligatory' nature. This is just part of unwritten rules and regulations of the system. Apart from giving a clear content to HLS as a system of annual loan clearance, this feature brings out in a striking fashion the dependence of the loan system on the rent system.

Let us now turn to some further characteristics of HLS.

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13. We have already noted that rent is usually not allowed to accumulate for more than 3 successive years. In case the tenant defaults in payment of rent for 3 successive years, he is usually evicted.

The loan is invariably taken in the form of rice. Like the loan timing, this is fundamentally a structural feature of the system. The original source of the loan fund is the landlord's share of the paddy-harvest, obtained both directly from his self-cultivation and from the rent-in-produce from the land he has leased out. By the time the loan is taken, the paddy is all converted into rice which is precisely what the borrower's loan-demand is for. It is interesting to note in this connection that there appears to be a high degree of reluctance of landlords to provide regular consumption loans in cash. Mostly, they would extend only holi loans which are invariably in rice, as just pointed out. In certain cases, they do also extend small amounts of cash loans now and then, but this takes place outside HLS.

The form in which a holi loan is repaid is more complex, being mixed up with the timing of repayment, both depending simultaneously upon the system of payment of rent in prevalence, which as already discussed, shows a good deal of variation. Further, the repayment invariably includes the interest payment, as already pointed out. Let us therefore, take all these up together, and proceed case by case as defined by the different arrangements for the payment of rent in existence.¹⁴

The simplest case is that of a single-paddy crop as one finds in the coastal section and parts of the interior

14. See chapter 3, pp. 70-73.

adjacent to the coastal section. The rent in this case is paid mostly in paddy right after the harvest. The loan is repaid at the same time and in the same form i.e., paddy.

Let us remember that the loan is invariably taken in rice. However, the rice-paddy conversion is purely technical. The local unit of measurement is a volumetric one (known as mura¹⁵) and the conventional factor of conversion is 1 mura of rice to 2 muras of paddy. The repayment per unit of loan, i.e., one mura of rice is generally 3 muras of paddy, so that the interest component is as high as 50 per cent of the loan. This lays bare the whole character of HLS as a direct means of surplus extraction, and links up directly with the basic themes of our overall study. As such we shall return to this a number of times through the study.

The second case is that of rent payment in two instalments, as generally prevails in the double cropped areas of the interior. The two payments take place some 1 to 2 months after the respective harvests allowing for the time taken to convert paddy into rice which is in this case the form of the major component of rent payment. The loan however, has to be invariably repaid at the time of the first instalment of the rent payment. The repayment per unit of loan is generally of the order of $1\frac{2}{3}$ muras of rice

15. A mura, it may be recalled, is 42 seers.

as repayment to 1 mura of rice as loan.

Thus, the interest component is somewhat higher in this case, being of the order of 66 per cent of the loan, than in the previous case. Because of the time allowed for paddy-rice conversion in the rent payment and loan repayment, the loan here is of a somewhat longer duration on an average. (At least, the range is longer). Apart from this, we have also to call attention to the regional difference between the two cases, the first occurring mostly near the coast, and the second much more in the interior where the traditional landlords have a much greater stronghold. These appear to be the general explanations of the higher interest charge in our second case.

The two cases of rice/paddy form of repayment based on paddy cultivation account for by far the most of the holi loan transactions. Outside these, it is not very clear whether the consumption loan granted by the landlord in rice is a holi loan or not. In our survey, we came across 3 such instances of loans in rice taken by tenants from their respective landlords. All the cases occurred in the well irrigated parts of the interior. The major crop in all the 3 cases was the sugarcane. While the rent was paid in the major crop itself, i.e., in sugarcane (or in some physical transformation of it, like jaggery), the loan was repaid in cash. These loans were locally known

as kada-darana loans and we may treat this basically as a variation of holi loans.¹⁶ Within this loan system, there are certain interesting variations with respect to fixation of loan repayment and hence the incidence of interest-charge. Let us look into this instance by instance, taking as the standard of reference a loan of one mura of rice.

In one instance, the cash repayment was calculated as the price of one mura of rice at the time when the loan was taken plus 12½ per cent of this. These are however, only the notional principal and interest components in the repayment. The actual interest component was much higher than 12½ per cent because of the fall in the price of rice between the two points of time but this cannot be calculated in any precise manner short of very detailed informations which we do not have.

16. It may be recalled that while the major component of rent in these 3 cases was sugarcane, the rent also had a rice component. The paddy produced by these tenants appeared insufficient for rent payment as well as repayment of the consumption loan if it was to be in rice. The rent would have been defaulted almost every year if both rent and loan repayment were to be done in paddy/rice. Hence the loan would have to be repaid either as cash or as sugarcane. The former would involve only one conversion depending on the price of rice only, whereas the latter would involve two prices, price of rice and price of sugarcane. This is obviously because no technical norm of physical conversion is available in the case of paddy/rice and sugarcane and recourse has to be taken to value conversion.

In another instance, the repayment was based on the same notional principal as just met, but the notional interest component was a fixed amount of Rs.5 per mura of rice. Again there is no simple way of calculating the actual interest charge.

Unlike the above instances, the time of repayment was left open in the third case, and the interest component was made dependent on the actual duration of the loan, being Rs.5 per mura of rice per month. The notional principal in this instance was also different, being the price of one mura of rice at the time of repayment, not at the time of loan.

This completes the account of HLS in purely factual terms. Let us begin the 'review' with the very notion of the element of interest in it.

The interest charged in HLS is clearly of a once-for-all character, being a component of the single loan-repayment. It bears a definite relation only to the amount of the loan (subject to broad regional variations), not to the time span or duration of the loan. The whole notion of a rate of interest appears simply to be absent.

Even at a purely accounting level, it is by no means easy to calculate a notional rate of interest. The problem arises basically from the openness with respect to the time at which the loan is taken. As already mentioned, the loan-timing generally falls within a narrow range of 3 to 4 months'

duration. Given the mode of repayment, the loan duration falls within a range of 6 months, say. It can be as long as this, or as short as even a week. Given the constancy of the interest charge, this factor renders meaningless the estimation of a rate of interest in any kind of 'parameter' sense. Further, the same borrower may take a number of successive loans within the same year from the same borrower as holi loans: All these get simply added up for repayment together with an interest calculated solely with respect to the total loan.

We have already called attention to the very high magnitude of the interest-charge in holi loans. Taking an interest charge of 50 per cent of the loan amount as the 'standard' (which is already on the lower side) and an average loan duration of 4 months, one gets a simple annual rate of interest of 150 per cent. This is just to put a numerical order on the magnitude of interest, no more.

Let us now pass on to a review of HLS from the standpoint of the general objectives of our study. We have already pointed out that HLS by itself is a direct means of surplus extraction by landlords of our economy. Taken in conjunction with rent, HLS clearly deepens as well as extends the base of surplus extraction by them. The 'deepening' occurs by the addition of a credit-mechanism to the basic mechanism of land-lease or tenancy for the extraction of a surplus from out of the same tenants. The 'widening' occurs by the inclusion of poor peasants within the base of their surplus extraction, who are not subject to any rent payment. The fact that 'widening' is

true only for the traditional landlords of the economy only seems to highlight again the 'differential' element in the power and control of the traditional landlords.

Let us now pass on to the element of 'inter-relation' in HLS. The basic point to stress here is that the whole system is made possible by one fundamental feature of the land market, viz., the payment of rent in the form of produce. It is this which gives the landlord a control over the output which in turn is partly turned into a loan-fund in grains by the landlord for further surplus extraction.¹⁷ While this lies at the very basis of the 'mode' of inter-relation expressed in HLS it is necessary to clarify further the nature of the mode itself.

The first point to be recalled here is the dependence of the whole method, or system, of loan repayment upon the system of payments of rents. Thus, it is simply not possible to give a complete operational description of HLS without reference to the precise institutional arrangements in the land market.

The above point has a clear significance for the general theme of surplus extraction in that the 'systems' of repayment of holi loans and payment of rent taken together enable one to see the 'total' surplus extraction on their basis in a

17. The landlords also have their own productions as a source for these loans. However, no specific mode of inter-relation is defined thereby. In any case, their principal control over the output comes from rent, not from self-cultivation.

direct physical form. In a word, the surplus is extracted directly out of the 'output' as harvested by the cultivators concerned, partly in the form of rent and partly in the form of loan repayments inclusive of its interest component.

While the cycle of rent exaction simply goes on, that of interest exaction has a rebeginning later in the year as the tenant runs out of his stock from the harvest and has to go in for fresh loans.

It is of interest to recall here the very 'stable' or long-standing nature of the tenancy relation in our economy. This feature in fact extends also to the loan or credit-relation within HLS. It appears to be an unwritten 'rule' of HLS that a borrower, once he has gotten himself into the debt-cycle, has but a single lender to borrow from, to whom he is already indebted. Thus, like the landlord-tenant relation in our economy, the lender-borrower relation in HLS is also of a long-standing, and hence of a directly interpersonal nature. It is also clearly a dominant-dependent relation and may itself be based upon the tenancy relation, but this is not a feature of the system in general.

This brings us to a second feature of the precise mode of inter-relations expressed in HLS. At the very beginning we had pointed out that there is a direct relationship of both sides to land. In this sense, HLS is an appendage to the basic land-system of the economy. Within this, a strict

prior relation between the two sides, i.e., a prior tenancy relation, is obtained only in the case of non-traditional landlords. This however is really outside the 'core' of the system, which is made up of traditional landlords. Hence the element of a prior relation remains rather diffused so far as the general system is concerned, and comes in with a precise significance only when the system is extended beyond its 'core'. This simply takes one back to the power and control specifically of the traditional landlords of our economy.

This contrast between the modus operandi of traditional and non-traditional landlords as lenders of holi loans is of a direct significance in looking at a purely 'negative' feature of HLS, which we have only tacitly presumed so far, viz., the absence of any collateral for the loans. Stated very generally, the necessity of an explicit collateral in a loan-arrangement is largely obviated when the lender is already established as the dominant party in some other relation with the borrower, given some stability of the other relation. This is clearly satisfied for the non-traditional landlords as lenders of holi loans, for they extend the loan only to their tenants. Within this, a precise 'mechanism' for ensuring the repayment of loans is defined by the priority of loan repayment over the payment of rent. These lenders are not by themselves very powerful elements in the village economy and must safeguard their position by

some economic means. This is what the prior relation and the method of loan repayment serve to do.

The modus operandi of the 'core' lenders of the system, our traditional landlords, is somewhat different. For them, the tenancy relation and the credit relation (within HLS) are two parallel dominant-dependent relationships of a long-standing 'interpersonal' nature, based ultimately upon their general social, economic and political power over the village economy. The very character of the credit relation by itself subsumes their ability to ensure the repayment of loans, for which no strict 'economic' means appear necessary. Thus, the whole dependence of the method of loan-repayment upon the system of payment of rent defines for them only a general characteristic of the 'system' they operate and not any precise 'mechanism' for the recovery of loan.

5.3. THE RESIDUAL MARKET

5.3.1. General Account

The total credit situation in a rural area is generally of an extremely complex as well as diffused nature, consisting of many categories, big and small, with various degrees of definability. We have discussed at length the two major categories in our economy, organised credit and holi loans, which are also very well defined in their own ways. Starting from there let us first 'map out' the remainder of the spectrum as obtaining in our economy.

To begin with, a border line case between 'organised' and 'rural' credit as a whole is the credit granted by so-called indigenous bankers. An indigenous banker is usually an urban trader who advances loans to sellers of agricultural produce. This phenomenon is significant in South Kanara only in the case of cash crops like areca.¹⁸ Moreover, the urban trader usually advances loans only to the 'upper' strata of the rural population (like the landlords, rich peasants etc.) from whom he purchases the agricultural produce. We do not have data on these loan transactions either from the borrower's side or lender's side and hence cannot discuss it in any detail.

Coming to rural credit proper, the much discussed source of loan here in the literature¹⁹ is the village moneylender usually classified as (a) professional moneylenders and (b) non-professional moneylenders. The former has moneylending as his primary concern, while the latter has some other activity as his principal occupation, moneylending being a secondary one. We have already noted the almost total absence of professional moneylenders in South Kanara.

Let us now turn to the non-professional moneylenders. There are various 'types' within this 'group'. First let us

18. This is briefly discussed in chapter 6, p. 197, footnote 6.

19. See, for example, the various reports of the Debt and Investment Surveys conducted by the RBI.

consider the so-called agriculturist moneylenders, i.e., those for whom agriculture is the main occupation and moneylending the secondary one. There can be two further types with this. The first consists of loans on the basis of a strict prior relation. These fall specifically within our general interest and will be taken up separately below.

The second type within the 'agriculturist moneylenders' consists of rich peasants who lend money on the basis of some collateral like utensils, gold ornaments, etc. They play only a minor role in the rural credit market in South Kanara. In our survey, we came across only 3 tenants (out of 40) and 6 agricultural labourers (out of 52) who had taken some loans from this source. Some of the salient features of this loan are as follows:

The borrowers in this credit relation do not have any prior relation with the lender in any market. The loans are usually in cash and tend to be 'commercial' in character. As already noted the loan needs a collateral. It also carries on explicit rate of interest. There is no fixity with regard to the timing of loan or of its repayment, and the repayment, like the loan, is in cash.

Apart from the 'agriculturist moneylender', the other major non-specialised moneylender in the village is the village shopkeeper who often advances small 'loans' to the lower strata in the village. The 'loans' here are basically

in the nature of sale of daily necessities on a 'deferred payment' basis. Factors like 'tying a customer' or 'shortweighting in sale' might play an important role in these transactions. We do not have any data on this and hence cannot discuss it in any detail.

It remains to take note of one very important source of loans in the village, especially for the lower strata. This is the category usually designated as friends and relatives. In our view, the 'loans' extended by 'friends and relatives' are often in the nature of 'mutual aid'. The personal relation, based on factors like kinship, friendship etc., obviously play an extremely important role in these transactions. Because of this, the 'terms and conditions' of these transactions may vary very widely from one loan transaction to another. Again, we do not have any systematic data for a proper discussion of these transactions.

This, in broad, general terms gives a picture of the spectrum of credit relations in South Kanara. The relative importance of the different credit sources for the lower strata of the population can be seen from the summary of loan-accounts of borrowers among tenants and agricultural labourers in our sample in the field survey, given in Table 10 below.

TABLE 10 : SUMMARY OF LOAN-ACCOUNTS OF
AGRICULTURAL POOR SAMPLED

Source of loan	Number of loan accounts of tenants sampled		Number of loan accounts of agricultural workers sampled		Total number of loan accounts of the agricultural poor sampled	
	Kind	cash	kind	cash	kind	cash
<u>Organised Sector</u>						
Commercial banks	Nil	18	Nil	11	Nil	29
Co-operatives	1	15	1	5	2	20
Government Agencies	Nil	1	Nil	Nil	Nil	1
Sub-total for Group A	1 (4.3)	34 (43.6)	1 (4.0)	16 (20.5)	2 (4.2)	50 (32.1)
<u>Landlords & employers</u>						
Landlords	22	11	Nil	Nil	22	11
Employers	Nil	1	24	32	24	33
Sub-total for Group B	22 (95.7)	12 (15.4)	24 (96.0)	32 (41.0)	46 (95.8)	44 (28.2)
<u>Other Sources</u>						
Rich peasants	Nil	3	Nil	6	Nil	9
Shop-keepers	Nil	11	Nil	13	Nil	24
Friends & Relatives	Nil	18	Nil	11	Nil	29
Sub-total for Group C	Nil (0.0)	32 (41.0)	Nil (0.0)	30 (38.5)	Nil (0.0)	62 (39.7)
Total for all Groups	23 (100.0)	78 (100.0)	25 (100.0)	78 (100.0)	48 (100.0)	156 (100.0)

(Figures in parantheses indicate column percentage).

Source: Field survey.

5.3.2. Loans from Landlords to Tenants Outside Holi Loans

We have already noted the reluctance on the part of landlords to provide a cash loan to tenants for their regular consumption. But the landlords, both traditional and non-traditional, usually extend small contingency loans in cash to their respective tenants.

The main ground on the basis of which a tenant is eligible for these loans appears to be his medical expenses. There is therefore little regularity in the loan-timings. The landlords do not appear to insist upon any very definite duration of the loan as such, so that the repayment timings are also left generally open. The loans do not require any collateral.

The loans under discussion do not carry any interest. In this sense, these do not form part of the mechanism of surplus extraction. This however is to be seen in the proper background or basis of the loans. In a way, the very 'purpose' of granting these loans may be said to 'keep the tenant alive', which after all is at the very basis of any surplus extraction by the landlords.

Viewed on a somewhat different plane, the loan-arrangements bring out an important aspect of the traditional, interpersonal relationship between the landlord and his tenant. While the landlord has various ways and means of extracting a direct

surplus out of his tenant, the contingency of the tenant's illness is not one of these. Rather, the landlord has some direct obligation to respond to needs arising out of it.

5.3.3. Loans from Employers to Labourers

HLS, as we have seen, covers only 'cultivators', not agricultural labourers.²⁰ The need for a regular consumption loan is no less acute for the latter than for the former. Typically, an agricultural labourer in South Kanara is unemployed for a substantial part of the year. This seasonal unemployment and the low level of wages in the rural areas leave most of the rural labourer households chronically deficit in terms of their income and expenditure.²¹ Hence they remain dependent for part of their regular consumption on loans from various sources. Again, part of this consumption

20. Strictly, it is only landless agricultural labourers who fall completely outside the orbit of HLS. An agricultural labourer with a small landholding may be eligible for HLS as a poor peasant. For the purpose of our present discussion, this does not matter, for his loan needs are much the same as those of the landless labourer, and he is also eligible for loans from the same sources as the latter.

21. We have already noted (see p 94) that according to the Bureau of Economics and Statistics, Karnataka, an average rural labourer in South Kanara was unemployed for 130 days a year (for the reference year 1969-70). The annual income per labourer household was Rs.1144 of which wages accounted for Rs.973. The annual expenditure was Rs.1177, leaving a deficit of Rs.33 per year. A survey conducted by the Syndicate Bank in Coondapoor and Udipi taluks in 1975 also came to similar conclusions. See Thingalaya (1976), pp. 65-68.

loan may come from sources like 'friends and relatives', 'village shopkeepers' etc., but the major source of the loan must be the employers themselves.

This sets out the general background of loans from employers to labourers in our economy. Let us begin by seeing these loans in the general frame of sources of loans to the workers. In our survey, we had 52 agricultural labourers in our sample. Only 5 of them reported that they did not take any loans whatsoever. The rest (47) took loans in various forms from various 'sources'. Of these, 25 had outstanding loans in kind (rice) and 43 had outstanding loans in cash, so that as many as 21 had both cash and kind loans outstanding. All but one of the kind loans were taken by the labourers from their agricultural employers. The source of cash loans were more varied, and the same labourers often had more than one outstanding cash loan account. Thus, there were 78 cash loan accounts for the 43 labourers who had taken a cash loan. 32 of these 'accounts' were from their employers, divided almost equally between agricultural employers (17) and non-agricultural employers in subsidiary occupations like clay-work, beedi rolling etc., (15). The remaining accounts were with heterogenous sources like commercial banks (typically against small bits of gold ornaments and the like), co-operatives, 'friends and relatives', village shopkeepers etc.

Coming to loan purpose, we found that no precise demarcation between needs for regular consumption and for contingency could be established, simply because most respondents themselves were unable to make the distinction and reported only that the loans were taken for 'general' purposes, meaning both regular consumption in the sense of subsistence, as well as contingency. On purely structural grounds, we can take all the cases of kind loans as consumption loans proper as these were all in rice. A good part of the cash loans were also obviously for regular consumption in our sense.

Two things are clear from the above account of loans of agricultural labourers in general. First, the loans were mostly from their employers, and second, the loans were largely for their regular consumption. This links up directly with the basic background of the loans from the borrower standpoint given at the outset. As is to be expected, the loans were taken mostly during the pre-harvest monsoon months (June to September) which is the lean season for all rural employment, both agricultural and non-agricultural, as we had observed earlier (See p 154).

Let us now come to what we may call the 'system-features' of loans from employers to labourers. These get expressed clearly in the dependence of the form of loan and the whole method of loan-repayment upon the wage system.

Let us begin with the form of loans taken by labourers from their agricultural employers. As we have seen, there were 24 cases of grain loans and 17 cases of cash loans from agricultural employers in our sample. Viewed in terms of agricultural employers as lenders, we had a total of 29 such lenders, of whom 12 lent only in kind, 5 only in cash and 12 in both cash and kind. All the cases of 'cash-loans only' coincided strictly with the cases of cash wages. Let us recapitulate that wages were paid exclusively in cash in **two** villages in Mangalore taluk where all the relations were highly monetised. It was precisely in **these** villages that we found that the loans granted by agricultural employers were also in cash only. The loans from all other agricultural employers, i.e., employers who paid the wage in kind only, were all predominantly in kind, having a cash-component, often very 'small', in a number of cases. Coming to non-agricultural employer-lenders, both the wages paid and the loans granted to the labourers were exclusively in cash, as one would expect a priori.

So much for the loan form. The method of loan repayment was invariably 'cuts' or 'deductions' from wages. In all cases where the wage-form and loan-form coincided, the form of repayment was also the same.²² As is clear from the account

22. While the loans are invariably in the form of rice, the harvesting wages are mostly in the form of paddy. The standard conversion factor (of 1 seer of rice being equal to 2 seers of paddy) is used in case the loan is repaid as 'cuts' from harvesting wages.

of loan forms given above, this leaves only the cases of a cash-component in the loans granted by agricultural employers who paid the wage in kind (rice or paddy). Here, the amounts lent in cash were invariably converted into paddy or rice at the prevailing market price at the time of loan-repayment and the corresponding amount was deducted from the wage.

By and large, it appeared that the employer-lender did not insist upon any strict timing of loan repayment, so that the loan-durations were quite variable. Often the labourer would have a small loan from the employer outstanding against him for 3 or 4 years. All the same, most loans from agricultural employers were cleared during the harvest time for this was the peak season for agricultural employment. The time taken for repayment of loans from non-agricultural employers showed much greater variation. We had discussed it before in relation to types of unfree labour in our economy (see p. 121) and nothing more needs to be added here.

This completes the statement of the system of loans from employers to workers excepting for one feature: The loans do not carry any interest. The valid point of reference for this purpose is not the interest-free contingency loans from landlords to tenants discussed a little earlier, but the rent-free provisions of homestead lands to landless agricultural labourers by their employers. Thus, just as a prior land relation is not used by the employer for an additional surplus

extraction from the labourer, either in the form of rent or in the form (generally) of lower wages, so also a prior credit relation is not used by him for an additional surplus extraction, either in the form of interest or in the form (generally) of lower wages. We have already made whatever 'comments' we have on this earlier (see pp 139-140). We have nothing to add here.

The absence of an interest-charge on the loans under reference puts the two categories of land-based and loan-based back-and-call labour on par and enables us to discuss their common 'logical structure'. The first point to be asserted is that these are to be really identified as labour relations, as we have done, extending into certain other relations (land relation or the credit relation as the case may be), and not the other way round (i.e., not as a land-relation or credit relation extended to a labour relation). The only 'payment' or 'transaction' proper occurs in relation to the labour service, and a surplus is extracted by the employer on that basis. This is what gives the relation its primary identification. Let us recall in this context that, as observed earlier (p 139), the absence of a rent charged for the homestead land really takes the land relation outside the orbit of land market proper. Exactly the same observation is to be made in regard to the credit relation discussed above. In this sense, we can talk of the relations as expressing only a definite element of 'inter-relation' in the labour market but cannot call the inter-relation itself a 'market inter-relation' in the strict sense.

There is another aspect of the logical structure of the relations which we may point out here. There being only short-term employment contracts in our economy, the employer-labour relations themselves are obtained as a series of 'disjointed' or 'broken' relations over a year. It is in this background that our employers 'tie-in' workers by providing them with loans or homestead lands. Clearly, the loan - or land-relation is here the more long standing relation connecting together the relatively 'broken' employment relations. In this sense, these relations serve the purpose of a 'prior relation' for the labour relation, which in turn remains the 'primary relation' in the sense that the whole logic of the prior relation is obtained in it. This 'logic', as we have seen, is simply an assured supply of labour to the employer concerned for critical agricultural operations.

This completes the discussion not only of employer-employee loans in our economy but also of the logical structure of the beck-and-call labour relation as observed in the economy and the precise mode of inter-relation expressed through it.

CONCLUDING OBSERVATIONS

The main empirical thread running through our study of the land and labour markets of the economy previously had been the power and control of its landed class, both at the general level for the whole of this class and at a specific or differential level for the 'core' of this class as represented by its traditional landlords. We have only to recall our concluding observations on HLS (see pp 162-166) to see the continuity of this thread in the credit market of the economy as well, which we need not summarise here again.

Our discussions in this chapter also complete the study of two basic relational 'types' of the economy, viz., the credit-relation in HLS and the general beck-and-call labour relation. It is therefore in order to see them together from the standpoint of the overall 'themes' of the study.

We have already clarified at length the specific 'modes' of inter-relation expressed in these relations (see p 163, and pp.177-178 respectively). Let us just make explicit one point of contrast between the two that has remained implicit so far. Holi loans are clearly part of the credit market of our economy in the precise institutional sense that there is a 'contract' for such loans, whether based on a previous lease-contract (as in the case of non-traditional landlords as lenders) or not. The 'separability' of the contracts is really axiomatic. The beck-and-call labour relation, on the other hand, represents

a 'single' contract with 'aspects' belonging to the general domains of the land and credit markets as well. We cannot separate out a loan-or lease-contract from the employment contract as such.

By the very mode of inter-relation expressed in HLS, it operates fundamentally on the basis of rent received by the landlords in the form of the produce itself, which they again 'circulate' as grain loans. This roots the whole of the surplus extracted by the lenders through HLS directly in their functioning as 'landlords', and enables one to see the 'interest' component of the surplus, as given by their holi loans, as an appendage to or derivative of the 'rent' component of their surplus, which remains the basic form of 'surplus' in a backward agricultural economy. This appears to be the precise integration of the mode of inter-relation in the more basic process of surplus extraction in the case of HLS.²³

No such precise integration appears possible in the case of the back-and-call labour relation, for the whole reference to the basic form of surplus is simply absent here. Further pursuit of the question takes one to the precise structural significance to be attached to surplus extraction through the labour market, and thence to the market itself, in a backward agrarian economy. As stated at the beginning, this must be left as an open issue in the present study.

 23. For a detailed discussion on the role of credit relations in surplus extraction in backward agriculture, see Rao, J.M. (1980), Rahman, A (1979).

CHAPTER 6
PRODUCT MARKET
INTRODUCTION AND OUTLINE

In chapter 1 we explained why it is only the supply side of the product market that falls within the purview of our discussion, which concerns basically different aspects of their 'sales' and 'marketed surplus'. The supply side is made up of 'producers' in our economy who themselves are identified ultimately by 'sales', or more precisely, by some 'control' over the output as harvested for the purpose of sale. The fundamental question to be discussed right at the outset is the precise 'basis' on which this 'control' is obtained, which, as we shall see, also defines the basic method of formation of surplus at both the 'producer' and the 'village' level of our economy.

Section 1 of this chapter is devoted basically to a discussion of the above fundamental question for our economy. Inter alia, we shall suggest a basic divisioning of the market on its supply side. The remainder of our discussion in this chapter is organised largely in terms of this 'division' or the 'structure' of the market.

Section 2 is devoted to a study of institutional arrangements for the sale of produce in our economy and is divided in two parts. The first is concerned with alternative 'channels' of sale, or the so-called 'hierarchy' of markets

(village level markets, wholesale markets etc.). The second part is given specifically to elements of market inter-relations in the form of trader-advances to 'cultivators' which we had earlier postponed to this chapter.

Section 3 is given to broad observations on the general character of 'sales' and 'marketed surplus' of different producers in our economy.

6.1. METHOD OF FORMATION OF MARKETED SURPLUS

The most important fact about the product market in our economy is the very major role of traditional landlords as supply parties in the market, far exceeding that permitted by their own production or self-cultivation. The principal basis of their 'supply' or 'marketed surplus' is the rent and repayment of holi loans they receive in produce after the harvest. It is the total output directly controlled by them through various means -- self production, land-lease for rent in produce and extension of holi loans on the basis of these two -- that is at the basis of their marketed surplus. The other side of the coin is simply that the payment of rent and repayment of holi loans leave the tenants and poor peasants with little marketed surplus to sell.

We may therefore restate the basis of marketed surplus of our traditional landlords simply as a method of formation of marketed surplus at equivalently the 'producer' and the

'village' level. In a word, the method is given by a process of physical concentration and assemblage of the produce after the harvest in the landlord's granary or courtyard to which it flows through the different 'channels' stated.

This is the single most important factor underlying the whole of our study of the product market in our economy. It also connects up directly with the overall themes of the power and control of the landed class and of market inter-relations. Because of the limited scope of our study of the product market, we shall however be able to pursue the themes by themselves only to a rather limited extent. Let us just point out here that the mode of inter-relation expressed in the very formation of marketed surplus is a direct extension or continuation of that expressed in HLS. To be explicit, it is precisely because the landlords receive their rents and loan-repayments in the produce that they have the pre-eminent 'supply' position in the product market, so that the mode of inter-relation is defined fundamentally by the form in which rents are paid and loans are repaid. It is in this sense that the product market is related to the land and credit market of the economy.

Let us now follow up the statement of the method of formation of marketed surplus with a broad divisioning of the supply side of the market. The method of formation mentioned applies to all landlords of our economy, not

just the traditional landlords. Their pre-eminence in the present context is simply a matter of their scale of operation as based, ultimately, on the size of their holdings. Thus, for the purpose of a broad grouping, we may clearly combine the traditional and non-traditional landlords together.

Let us note here that so far as the marketed surplus of the above group, i.e., landlords, is concerned, the payment of wages in produce works in the opposite direction, so to say, in the sense of reducing the marketed surplus from the level it would have attained had the wages been paid in money. The net balance however is clearly in favour of the landlords. So far as the rich peasant is concerned, his wage payments in produce reduce his marketed surplus, but being free of any rent payments and repayments of loans in produce, he still has a considerable command over the produce for sale. We may, therefore, broadly group the landlords and rich peasants together as 'big producers' in the product-market within which the traditional landlords have a clearly dominant position.

The payment of rent and repayment of holi loans leave the tenants and poor peasants with little marketed surplus to sell, which is hardly redressed by any wages in produce they may receive for their work as agricultural labourers. However, in principle at least, the same factor allows even

agricultural labourers to participate in the product market as sellers. Thus we have to conceive 'small' producers as a group made up of tenants, poor peasants and agricultural labourers having at all some produce to sell. Let us recapitulate in this context that there are hardly any 'big tenants' in South Kanara, most of whom are only small and marginal cultivators.

The above discussion clarifies the relational aspect of 'big' and 'small' producers in South Kanara. The distinction itself is clearly to be taken in the sense of quantities marketed by the producers. We do not however have any precise estimates of these quantities. It is extremely difficult to obtain any reliable information regarding the marketed surplus of big producers by direct enquiries with them. We sought to obtain these informations through village level enquiries as well as enquiries with petty traders in the villages surveyed. Naturally, it is only very broad 'impressionistic' informations that are possible to obtain this way. These problems do not apply to small producers and it was possible to collect somewhat precise information regarding their marketed surplus by direct enquiries.¹ Since a priori the big producers account

1. Direct enquiries regarding sale of the produce were however restricted to tenants only in our survey. We did not have poor peasants in our sample frame for direct enquiries and did not seek information regarding 'marketing' from agricultural labourers, for we had not anticipated the possibilities of any 'sale' of the produce by them at the time of our survey.

for by far the bulk of the marketed surplus, the state of informations regarding their marketed surplus clearly conditions our study of the product market as a whole and restricts further its scope. This will come out through the study in the due course.

We found from village level enquiries that, in all the villages where paddy was the main crop, landlords had substantial amount of surplus to sell every year. The quantity of surplus marketed varied widely depending on whether landlord was a traditional one or not. The traditional landlords usually had very large surpluses to sell. The 'estimate' of their surplus as given by the villagers varied from 500 muras² of rice per year in Pavoor village, to 'much more than 1000 muras of rice per year' in Halady, Bethangady and Koyyuru villages. Non-traditional landlords had much smaller surpluses to sell. Our impression was that a non-traditional landlord with about 10 acres of land (leased out plus self-cultivated) had about 50 muras of rice as regular surplus per year. Rich peasants (owning and cultivating 8-10 acres of land) were in a similar position as non-traditional landlords.

Let us now come to the 'small' producers. As mentioned, we collected direct informations about marketing only from the tenants in our sample. The majority of the tenants (22 out of 40) did not sell any paddy or rice at all,

 2. We may recall here that a mura is a volume measure. It is equal to 42 seers. A mura of rice normally weighs 38 kgs.

either after the harvest or later. The bulk of the sellers, or 'producers' in our sense (14 out of the remaining 18) were clearly marginal sellers or producers, selling usually to the extent of only 1 to 2 muras of rice per year. Two more tenants reported that they sold about 4 or 5 muras of rice every year and were 'small or marginal' producers. Only 2 tenants had some substantial amount to sell, of the order of 10-15 muras of rice per year and could be termed regular sellers of a medium size (or 'medium sellers', for short). These were 'gross' sales without netting for their purchase of rice. We shall get to this in a later section (section 3) in connection with the 'nature' of marketed surplus.

As mentioned, we do not have any direct information about sale of the produce outside tenants. However, village level enquiries revealed that poor peasants (owning and cultivating 1 to 2 acres of land, say) were also marginal sellers of the produce. The same enquiries also revealed that agricultural workers who were paid mostly in produce often sold part of it for cash. They also sometimes exchanged the produce directly for household necessities like 'salt and chillies' with the village shopkeeper.

This completes our basic description of sellers of the produce in South Kanara. Let us end this section by recording certain interesting cases of 'earmarking' of part of the produce for specific purposes.

In the well irrigated interior parts of the district where the cropping intensity was the highest (see chapter 2, p. 45), even poor peasants and tenants raised a kharif crop known as mumbelasu on a small part of their holdings which was harvested a month before their main kharif crop. This crop was specifically earmarked for sale in the market. Thus, their production for the market, though on a minor scale, was structurally separated from their main production. It is interesting to note in this connection that the landlord did not have any claim on the mumbelasu crop either for his rent or for the repayment of holi loans. (see chapter 3, p.71, foot note 18).

A very different sort of 'earmarking' was observed in the case of big owners of areca gardens, also owning some paddy land. Whether leased out or self-cultivated, the owner's share of the produce appeared to be earmarked for their own consumption and for payment of wages in kind to the labourers in the areca gardens -- nothing was sold out of it.

6.2. INSTITUTIONAL ARRANGEMENTS OF SALE

6.2.1. Market Channels

The sale of produce from agriculture begins at the village level itself which is the first stage, or bottom layer, of the product market. By and large, small producers

sell only within the village and big producers sell mostly outside the village at higher levels of the market, so to say. The situation in South Kanara is no exception to this broad and general pattern of sale.

Let us recapitulate that of the 40 tenants in our sample, 22 did not sell at all, 14 were clearly 'marginal' sellers, 2 were 'small or marginal' sellers and only the remaining 2 could be termed 'medium' sellers. Only the last 2 tenants, i.e., the medium sellers, were found to sell outside the village; all the remaining 16 sellers sold their produce only within the village. The sole channel of their sale was the petty village merchant who in turn sold part of the produce within the village itself and the rest to miller's agents or wholesalers from urban areas.

By contrast, 'sale outside the village' -- i.e., in wholesale trading centre in the coastal belt or in taluk headquarters -- was the major channel of sale for our 'big producers', i.e., landlords and rich peasants. There appeared to be two systems -- or more correctly perhaps, two variants of the same system -- for these sales, depending upon the precise form in which the rent was paid.

In areas where the rent was paid in paddy -- as happened in the interior parts of Coondapoor and Udupi taluks -- the landlord generally turned over the entire produce (his own produce as well as the produce received as rent) to millers in town for processing into rice. A part of the rice was

taken back by the landlord for self-consumption and other uses and the remainder was sold directly to the millers who were themselves also wholesale traders. Often these contracts were established through miller's agents visiting the villages, who also bought from petty village merchants, as already noted.

The other system or variant prevailed in areas like Buntwal, Belthangady and Karkala taluks, where the rent was paid chiefly in rice, so that no further milling was necessary. Here a substantial proportion of the sale by the landlords was directly to wholesale traders who were not necessarily millers. These characteristic patterns of sale by landlords appeared to be followed by rich peasants in the respective areas.

There were also some sales by big producers within the villages, but the pattern was very different from that of small producers. Big producers did not at all sell to petty village merchants. Their entire sale within the villages was directly to a class of 'better off consumers' who were not agriculturists themselves (e.g., they may have had their source of income in a job in the bank). These consumers often preferred to purchase rice in terms of mucas from big producers, rather than in retail from the village shopkeeper, for 'quality purposes', etc. Such sales were however found to be significant only in coastal areas where landlords were typically medium sized Brahmin landlords. Thus, so far as

the traditional landlords were concerned, the sale was almost exclusively to wholesalers and/or millers.

This sets out the institutional arrangements for the sale of produce (paddy or rice) in terms of market channels in South Kanara. The main conclusion that comes out is that the whole structure is a very simple one constituted of only two regular channels -- the petty village merchant and the urban based wholesale trader (who could also be a miller), the latter operating through his agents, in the villages. This division of the market on its 'demand side' was matched about equally by the basic division of the market on its 'supply side', as given by 'big' and 'small' producers, the line-up being petty village merchant -- small producer and wholesale trader -- big producer.

It appears worth commenting upon the simplicity of the structure of the market by reference to certain common practices of 'sale' over large parts of Indian agriculture, which are simply absent in South Kanara.

A characteristic feature of the rural scene in India is the periodical markets, known as shandies or hats held regularly once or twice a week in fixed market places in the villages. Sale of produce by cultivators in these markets is a very common feature in many parts of the country.³ A weekly market, known as santhe is indeed very

3. See the Report on the Marketing of Rice (1954), p.172-179 on channels for marketing of rice in different parts of the country.

common in villages in South Kanara. In these, villagers buy sundry consumption items (like clothes, pots and pans etc., etc.) and sell in turn sundry items of their subsidiary production like vegetables, chillies, palm-gur etc. These markets are however, simply not outlets for the main produce: no paddy or rice is sold by the producers themselves in these weekly markets.

Another common feature of trade in agricultural produce in large parts of India is the institution of itinerant merchants variously known as paikaras, beoparis, banjaras, farias etc., who go from village to village, visit hats, sometimes even go from door to door, making separate purchases in small lots, which they sell in urban wholesale markets.⁴ Such a class of middlemen is again absent in South Kanara.

Going over to the urban trading centres, a prominent institution in Indian agriculture in general is the primary wholesale market, such as ganj or mandi, having a fixed location in the urban centre and meeting very regularly over the year or a good part of it, often under some sort of state-regulation. This again is totally absent in the interior parts of South Kanara. Thus the taluk headquarters in the interior are often important trading centres without however any primary wholesale market proper. We cannot say whether or not the institution exists on the coastal area

4. Ibid.

on any significant scale -- being located in urban areas, this fell outside the scope of our study on a priori grounds. What however is quite clear from the description of sales by big producers, in particular traditional landlords, given earlier is that their sales simply by-pass whatever 'primary wholesale markets' may exist in the coastal areas. Even for traders from these areas, the sale by the big producers of the interior is carried out by direct bilateral negotiations and contract, without being channelled through any fixed market place whether in the villages or in the trading centres.

All these 'absences' or negative features of the trading pattern in South Kanara are clearly rooted in the fundamental fact of the concentration of the bulk of the marketed surplus in the hands of a few big traditional landlords. The very method of formation of this marketed surplus is equivalently a siphoning off of the marketable surplus of small producers. As a result, there is far too few a regular seller of the produce other than the big producers and the amounts they have for sale is also very little. As will be seen in greater details below, their sales are also very irregular, having no systematic time pattern over the year. All these make for a very 'thin' market for their produce. This is at the base of a very limited 'size' and simple 'structure' of the market at the village level. This appears to 'explain' directly the

absence of both periodic markets for the sale of rice/paddy in the villages, as well as absence of itinerant merchants on the village scene.

Now, the siphoning off of the marketable surplus of 'small' producers is only the other side of the concentration of the marketable surplus in the hands of 'big' producers, particularly traditional landlords. It is this side that appears to be at the root of absence of a properly defined primary wholesale market in the interior parts of our economy. It is best to see this in a direct 'regional' or 'spatial' frame. Given the very size of our traditional landlords and the mode of formation of marketable surplus, there would in general be only a few really 'big' producers over a wide enough region in the interior parts of the district. Wholesale traders and millers, therefore, approach them directly and strike a deal for the actual marketing of the produce. The question of a 'primary wholesale market' does not arise, so to say.

It is also interesting to see the above point in contrast to the marketing system for the main commercial crop of the district, areca. A large number of big areca gardens -- which are often very big by the size of the annual produce or its value but not very big in absolute area of cultivation -- is concentrated in a small part of the district in its ghat section. There is a big regulated

wholesale market for areca in the district headquarters, Mangalore, where the big areca cultivators sell their produce either directly or through a marketing cooperative of the producers having its collection points in important growing centres of the ghat section. Thus, the produce passes to wholesale traders through the institution of a wholesale market proper, and not directly, from big producers.

6.2.2. Trader-Advance

A system of trader-advances to producers⁵ to be repaid in the form of the produce itself at the harvest time is quite widely prevalent in the ghat sections of Sullia taluk in our district. It may also have some incidence in the remainder of the ghat section. Outside these -- and hence, over the whole of the interior zone of our district -- the system is totally absent. Thus, the system is altogether of a limited significance in the district or 'economy' as a whole.

Just earlier, we had seen that the institutional structure of the product market in our economy is a rather simple one in terms of market channels, particularly when viewed in the context of practices elsewhere in Indian agriculture. In a way, one is led to the same broad

5. By 'producers' here we mean the small or marginal sellers in the market. The big producers are left out as we do not have any reliable information on their trading operations.

conclusion of a 'simple structure' by the general feature of the absence of trader-advances to producers. Stated explicitly, the institutional arrangements for the sale of the produce in our district are ^{simple} not just in terms of the channels for sale, but also in terms of the nature of the 'contract'. Mostly, these 'contracts' involve just a direct sale, being very rarely based on a prior relation like trader-advance. Both the 'simplicities' are also 'rooted' in the same set of 'structural factors' as will be clear from the discussions below.

Let us now give some details of the system of trader-advance as it exists in the ghat areas of the district. The parties in this system are the poor peasants and tenants as 'producers' or sellers of the produce and petty village merchants as 'buyers'. The advance is made by the latter to the former in the form of cash, generally during the lean period (June to September) and is understood to be for general consumption purposes (including 'contingencies'). The repayment is to be made in the form of paddy immediately after the kharif harvest. The interest charged is an implicit component of the single repayment turning around the whole method of conversion. The method appears to be somewhat complex, incorporating certain 'subjective' expectations, and can be set out as follows: The loan is taken some time before the harvest, the 'lag' between the loan-timing and the harvest timing varying, in general,

between one and four months. For a given amount of loan granted at a given time during this period, the trader stipulates in advance a certain amount of paddy to be repaid by the producer. This is gotten by first dividing the loan amount (cash) by the post-harvest price as stated to be expected by the trader and then adding to it a certain component as 'interest', also fixed by the trader. This interest component is adjusted to the loan-timing so that the same amount of loan taken earlier carries a greater burden of repayment, roughly in the manner of a simple rate of interest. It was not very clear whether the post-harvest price expected by the trader was kept fixed or was allowed to vary over the period concerned. However, the price actually prevailing in the market at the time of granting the loan did not play any role in the 'contract'.⁶

So much for the details of the trader-advance as it exists in the district. Let us now look into the factors behind the presence - or absence -- of the system in the

6. A similar system of trader advance to small producers is prevalent in the area for cash crops also. For areca-marketing by 'big producers' the system is entirely different: Here the marketing co-operatives or the commission agents 'advance' about 60-75 per cent of the market value of the produce to the big grower when the latter hands over the produce to the former. But this does not affect the freedom of the grower regarding the time of sale to the exporter, or the price at which the produce is sold. He has to pay a 'commercial' rate of interest -- of the order of 17-18 per cent per annum -- on the advance; that is all.

district. This is best done by contrasting the two 'regions', the 'interiors' where the system is almost totally absent and the ghat areas where the system appears to have a significant incidence.

Let us take up the interiors first and try to explain the absence of trader-advances in the area. As is obvious from our discussions on land and credit markets, rent payments and repayment of holi loans constitute the basic payments by the tenants and poor peasants out of their harvests; these are the basic forms in which a surplus is extracted directly out of his harvest. This leaves little room for another component of surplus extraction from the same source through the terms and conditions of trader-advance against sale of produce. Moreover, the loan requirements of the producers concerned are already met by holi loans, making the whole system of trader advance somewhat redundant from the producer's point of view.

This, in broad general terms explains the absence of a system of trader-advance in the interior. It is possible to arrive at this conclusion from another angle, viz., the actual pattern of sale by the small and marginal producers. The argument can be as follows: After rent payment and repayment of holi loans, the tenant or the poor farmer is left with very little margin for sale out of the harvest. In point of fact, there is very little 'plan' or 'design'

behind whatever small amount he may sell in the total, the sales being made as and when necessary on account of various contingency needs (see section 3). Thus, even if he does sell some amount every year -- which, as already seen, is not very infrequent -- there is no 'regular plan' behind it. These conditions of sale are simply incompatible with any definite system of trader advance to be repaid in produce at the harvest time, as a form of institutionalisation of actual sales by him.

Let us now move on to the regional base of operation of the system of trader advance in south Kanara. As pointed out earlier (see chapter 3, p. 52) this is the area of low incidence of tenancy, outside the orbit of traditional landlords. Holi loans are also prevalent only on a very insignificant scale, if at all. All these create the conditions for the emergence of a system of trader advance to small producers for the sale of their produce. The producer is relatively free of prior claims on his harvest: Just as this creates the conditions for a definite plan by him to sell out of the harvest, so also this provides the scope for a fresh system of surplus extraction from the same source, i.e., the harvest. Finally, without the system of holi loans, the small producers also lack any general source to meet their loan requirements. The system of trader-advance fits into all of this.⁷

7. It is to be clearly stated here that our entire argument is purely qualitative. No quantitative equivalence is to be read into the various forms of surplus extraction referred in the course of the argument. Suffice it to point out in this context that the entire source of trader-advance in our economy is the petty village merchant, who stands nowhere near the big producers in terms of their economic position or surplus extraction.

6.3. SOME OBSERVATIONS ON THE CHARACTER OF MARKETED SURPLUS OF DIFFERENT PRODUCERS

As already mentioned, the 'sales' of small producers in our economy we have talked about are 'gross sales' in the sense that no account has so far been taken of the 'buying back' of the produce by the same sellers later in the year. Let us begin our observations on the character of marketed surplus by different producers in our economy with this.

Let us recapitulate that out of our 40 tenants sampled, only 2 could be termed 'medium' sellers or producers by the amount sold. The rest were divided between 'small and marginal' sellers (16), and non-sellers (22). Of the 16 small and marginal sellers as many as 15 bought back rice from the market later in the year for their own consumption.

It follows that the sales hardly represent any real or genuine 'surplus' and must come out of some general force of circumstances rather than 'choice' proper. This in a way is a foregone conclusion when it is reflected that a sizeable proportion of the same very 'sellers' are dependent for their regular consumption on holi loans. The observations regarding 'buying back' only drives home the same point on the basis of purely 'internal evidence' from within the 'product market'.

Let us now turn to the time pattern of sales by the tenants in our sample. The 2 'medium sellers' reported that they sold part of their marketed surplus -- 'nearly half of it' -- immediately after the kharif harvest and the rest later in the year, usually after March. We had already noted earlier that some tenants in parts of the district earmarked the mumbelasy crop for sale: 4 among the 16 small and marginal tenants belonged to this group. They reported that they usually sell 2 to 4 muras of paddy immediately after the harvest of this crop. Rest of the small and marginal sellers sold in small quantities, in terms of seers, and the sale was invariably spread out over time, from immediately after harvest, till the stocks lasted. More precisely, the sale was carried out sporadically, as and when necessary on account of various sundry household needs. In fact, all the 16 small and marginal sellers in our sample gave the reason for sale as 'requirements of cash to purchase household necessities like salt and chillies'. As already noted, all these sales took place within the village, to the petty village merchant.

Going by the informations given, the sales of our 'small producers' cannot be characterised as 'distress sales' as the term is normally understood.⁸ More often than not, only a small proportion of the sales by these

8. For a discussion on the concept of 'distress sale', see Dharm Narain (1961), Patnaik (1975); Nadkarni (1980).

sellers would take place immediately after the harvest when the prices are the lowest. The price received by these sellers is also the market price, not less. More fundamentally, the general basis of 'distress sale', viz., 'cash obligation' accumulated by the producer over some time past to be cleared after the harvest, is generally lacking. Presumably, the main cause of this is that two major claims on a tenant's 'income', viz., payment of rent and repayment of loan, take the form of produce in our economy. Had the claims been in cash, the tenant normally would have to sell at least part of his produce immediately after the harvest.

Let us further note that the sales are not, in general, based on any prior relation entered into by the 'small producers'. By and large, these 'producers' are 'free' sellers in the market, without any particular obligation.⁹

9. It may be worthwhile to see this in the background of the social structure of the economy. As pointed out earlier, almost all traders, big and small, in our district come from a particular community (Gowd Saraswat Brahmins) and are very largely specialised to trading. They have little base in land. The other side of the coin is the general absence of 'trade' as an activity carried out by members of the dominant landholding community, at least on any significant scale. Hence the same person in the village being the landlord (or employer) on the one hand, and the trader on the other, is ruled out by the general nature of occupational specialisation in the district. A fortiori, a prior relation in the land or labour market cannot serve as the basis for 'sales' in the product market. We came across only one such case in our survey. In Ulthoŕ village, the traditional landlord, who was also a wholesale trader-cum-mŕler demanded that his tenants should sell their mumbelasu crop to him only, at prices 'slightly below the market price'.

Thus, neither of the two grounds -- 'distress sales' and prior relation -- commonly adduced for 'forced' or 'involuntary' sale can be said to be present in our economy in any significant manner. On this basis, the sales are free and voluntary.

This, we believe, is too narrow a view of 'forced' or 'involuntary' sale. It is true that a particular sale by our 'small producers' is not on account of any definite 'prior relation' or 'distress' in the specific sense mentioned. However, a total view of their sales, as well as their purchases, clearly indicates that the sales represent neither any 'plan' behind them nor any genuine 'surplus' of the product as such with them. On an annual reckoning they remain 'deficit' in their food balance. This, we believe, is enough to characterise whatever 'sales' they actually make as 'forced' or 'involuntary', though not arising specially out of a 'prior relation' or 'distress'.

So much for the general character of 'sales' made by our 'small producers'. Let us now turn to the 'big producers'. It hardly needs any elaboration that the surplus with a 'big' producer is a real, genuine surplus. As such, they can, and do, 'plan' their sales. The important point about these 'plans' that follows from our discussion is this: The sale of the produce in these cases is only one alternative among various uses of it for 'income' or 'profit', the other

being transactions in produce itself within the agricultural economy, like extension of holi loans, payment of wages in produce etc. Some broad calculation of 'returns' to these alternative uses must enter the actual decision to sell. The 'pattern' of market involvement of a 'big producer' has to be seen in this larger context.

We had already noted the difficulties in obtaining reliable data on the quantity of marketed surplus of 'big producers'. It was even more difficult to get any reliable information on the pattern of sale by them. The only point we can make with some definitiveness is that a major proportion of their total sale took place after a significant lapse of time from the harvest (say, after March). The seasonal movement of price obviously entered their general calculations and decisions behind sales.

CONCLUDING OBSERVATIONS

The method of formation of marketed surplus introduced right at the outset of this chapter is the single most important 'theme' we have discussed through it. On the one hand, the theme directly links up with the basic overall themes of the study, as mentioned at the beginning, and on the other hand, it also serves as the main underlying factor explaining a number of internal features of the market. Regarding the latter, we need only recall here the basic 'simplicity' of the institutional structure of the product market in our economy, both in the sense of market channels

(see p 191) and in the sense of trader-producer relation
(see p 196).

The main point to be made in the context of the broader themes of the whole study is simply that the traders to whom the produce passes are not themselves members of the economy we have been concerned with so far. Thus, we can speak only of the 'power and control' of the landlords as expressed in their seller-position in the product market, not of any extraction of a 'surplus' by them on this basis. We may mention in this connection that the very fact of 'buying back' of the produce by 'small and marginal' producers later in the year opens up in principle a route of surplus extraction from them. But this again is ruled out because the party whom they buy from is the petty village trader, not the landlord.

Regarding the 'modes' of inter-relation of our markets, we have already pointed out in what sense the method of formation of marketed surplus in our economy expresses a certain way in which the product market is related to the land and credit markets of the economy. This 'relatedness' obtains only on one side of the market, viz., the seller side, and, as just seen, cannot be associated with an extraction of surplus by them. These are its basic contrasts with the mode of inter-relation in HLS, both of which obtain ultimately on the basis of the form of payment of rents.

A particular mode of inter-relation in the product market, working explicitly through prior relations (viz., trader-advances to cultivators) is of significance only in a very specific region in our economy where its basic character as a tenancy-based subsistence crop economy is taken over largely by that of a wage labour based cash crop economy. We have already commented upon the significance of this fact from the standpoint of the modes of surplus extraction. (see pp 198-199). It may be of some interest to recall here that it is precisely in this region that we earlier observed a system of payment of lower wages to 'unfree' labour. The two features point in the same direction, viz., it is only when the employment relation comes to the forefront of the economy that we come to these forms of surplus extraction. This itself takes us back to the whole status of the employment relation in a backward agricultural economy as such, a point lying beyond the scope of our discussion.

CHAPTER 7CONCLUDING OBSERVATIONS

The traditional landlords of our economy, representing its landed class par excellence, are by far its principal 'lessors' of land. They are also the major 'employers' of agricultural labourers, though their role in this market is not quite comparable, qualitatively and quantitatively, to that in the land market. They are again a major source of credit in the economy, forming the 'core' of a particular loan system which is one of the most prominent indigenous institutions of the economy. Finally, they are by far the principal 'sellers' of the produce, their role in this market exceeding that even in the land market in a purely quantitative sense. This, in a nutshell, contains the culmination of all the basic themes we have pursued through our study.

The extent of the power and control of the landed class over the entire economy is evident from the account of their roles in the different markets just given. As is to be expected, the 'nature' of this power and control gets most clearly reflected in the 'structure' of the land market where it is seen both at a 'general' level for the market as a whole and at a 'specific' or 'differential' level for what we called the 'traditional sector' of the

market. (see p. 62). Regarding these, we need only refer the reader back to the concluding observations made after the study of the land market (see pp. 83-85). Next to the 'whole' of the land market, it is in the 'part' of the credit market defined by holi loans that the power and control of the landed class gets most clearly reflected, again both at a 'general' and at a 'differential' level. (see pp. 162-166). The nature and extent of their participation in the product market is also clearly indicative of a great position of strength, though the 'details' of this have been pursued only to limited extent on grounds of both the a priori scope of the whole study and the nature of information available. Finally, in regard to labour as such, the power and control of the traditional landlords gets clearly reflected in such feudal remnants as labour rent and bonded labour, and the most restrictive of all the categories of beck-and-call labour, all of which are associated only with their mode of 'self-cultivation'. In some sense, however, these are all 'exceptions' to a smaller or larger degree to the general pattern of the labour market of the economy as a whole. Again, the whole functioning of this market clearly reveals a general position of strength of the 'employers', all of whom are also big and medium landowners. How far however the general pattern and functioning of the market as a whole can be seen as an expression of the power and control of the traditional landlords per se is really left open. We cannot

surely 'equate' the status of the land and labour markets of the economy from this standpoint.

Let us now look at the modus operandi of the traditional landlords of our economy as a whole. The direct and natural field of their operation remains the land market. However, their participation in the labour market, though less significant, is also directly on the basis of their landownership. These constitute the 'primary layer' in the total structure of their operations. Their operation in the credit market fits in as a 'second' layer, and in the product market as a 'third' layer, for their primary control over the output as harvested clearly obtains on the basis of their participation in the land and labour markets, and it is this output, or the product, that is then formed into a grain-fund for holi loans, the repayments of which, inclusive of interest, add to their control for the purpose of sale. The crucial 'link' in this modus operandi is clearly the form of payment, first of rent and then of interest or the repayment of loans. It is this that directly integrates the successive roles of the landlord as 'lessor' in the land market, 'lender' in the credit market, and 'seller' in the product market. His role as 'employer' in the labour market, though logically primary, is not integrated in the above fashion. In this sense the land, credit and product markets themselves define an 'economic system' which can be taken to give a schematic representation of the functioning of the economy as a whole just in view of

the sheer significance of traditional landlords in the general pattern of landholding in the economy. The labour market as such does not fall within the system.

The 'system' defined above has a clear significance for our over-all themes of methods of surplus extraction and modes of inter-relation of markets. The basic form of surplus within it is the rent, itself received in the form of the produce. The interest from holi loans is a derivative of this surplus, again received in the same form and directly adding to the primary surplus. This is as far as one can pursue the linkages in surplus extraction by the landlords, for their role in the product market secured on the above basis takes one to a relationship outside the strict boundaries of the economy. Coming to the second theme mentioned, the 'system' brings to light a definite, though very general, mode of inter-relation working fundamentally through the form of payment. So far as the dependence of the product market on the land and credit markets is concerned, one does not get beyond this, for the 'other' side of the market is left outside. In the credit market, on the other hand, the holi loan system clearly defines a more complete mode of inter-relation, expressed somewhat loosely at the level of party-identifications and then more strongly in the dependence of the whole method of loan-repayment upon the method of payment of rents (see p. 163).

So much for the two themes in respect of the 'system' defined. Regarding the methods of surplus extraction in

general in our economy, there is little to add to the statements made in connection with the power and control of the landed class, for these are but alternative statements of the nature of the basic land, labour and credit relations of the economy. As mentioned in the introduction, the quantitative dimensions of surplus extraction come into our study only as a 'support' to the general qualitative nature of the surplus. We need only refer the reader to the orders of magnitude of rent, wage and interest indicated in the text (see pp.81-82; p.131 and p. 162, respectively) to assert that the sheer volume or extent of surplus extracted by the landed class of our economy is 'high' by any standards.

Coming now to the theme of modes of inter-relation, our basic attempt has been to see this in relation to the more basic theme of surplus extraction. This relation ----- the integration of modes of inter-relation into modes of surplus extraction ----- finds its clearest expression in HLS. We may in this context refer back to the literature which brought the whole subject of market inter-relations in the context of a backward agricultural economy to the fore. This literature has, in the main, stressed the inter-relation of the land, credit and product markets on the basis of definite prior relations. For the economy we have studied, on the other hand, inter-relations defined by prior relations as such are really prevalent on a wide scale only in the labour market under the various categories of the beck-and-call labour relation. As we have seen (see pp.139-140 and p.160), it is precisely

here that there does not appear to be any clear integration of the modes of inter-relation and surplus extraction.

Viewed in the background of our study as a whole, this appears to be just another way of arriving at a certain lack of integration of the labour market into the whole 'structure' of the economy. We have all along recognised this as an 'open end' in the sense that any 'explanation' of it falls outside the scope of the study. Let us therefore, end by just restating the question: A significant proportion of the working population in South Kanara (about 25 per cent) is made up of agricultural labourers, who are either 'free' labourers or very much like 'free' labourers in respect of such important issues as security of employment, the nature of the employment contract in respect of fixity of operations and method of wage payment, and finally the magnitude of wage received. Given the background of almost no industrial labour force worth the name in the district on the one hand, and an agrarian structure still displaying strong feudal characteristics on the other, it is the very emergence of a sizeable agricultural labour force with these characteristics, and not so much the lack of integration of the labour market into the basic structure and system of the economy, that appears to us to represent the significant open question in this context.

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