

Tenurial Contracts in a Peasant Movement Belt

Field Survey Data on Naxalbari, Kharibari and Phansidewa Regions

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The Siliguri subdivision of Darjeeling district in north Bengal (known as the 'Terai' area) is covered by the four police stations of Siliguri, Phansidewa, Kharibari and Naxalbari. The last named came into existence in 1960. A study of the tenancy arrangement in this frontier region, characterised by a large-scale peasant mobilisation and revolt which occurred a decade and a half ago, is the object of this paper.

The results of the study are presented in sections III to VI. Section III deals with the distinct land tenure structure in Intersection and Non-intersection villages — 'intersection' denoting the intersection of both the mass movement and the coexistence of a credit, land and labour market. Section IV contains an analysis of the types of tenurial arrangements in these two types of villages. Section V examines the role of credit in tenurial contracts. The last section, VI, in the light of the foregoing analysis, ventures some views on the tenurial contracts of the region under study.

I

Theoretical Approach

CONSIDERABLE theoretical literature on 'sharecropping' since the 1960s has argued that sharecropping is not an efficient way of organising agricultural production.¹ Economists in the Marshallian tradition, hold that a tenant whose contract stipulates solely the share of gross output to be paid as rent will use material inputs less intensively than an owner-operator or a tenant leasing in land on a fixed rent basis. Thus, the output per hectare would be greater for a purely owner operated farm and for a fixed rent tenant operated farm than for a tenant operated sharecropping farm.

Two different formulations have received wide acceptance among theoretical economists: (a) the risk-sharing explanation, in which share contracts enable the tenant to share the risks of agricultural production with his landlord rather than bear them completely as under fixed rents; (ii) the incentive explanation, in which the tenant has no incentives for making fixed investments on land nor for finding investments for working capital. For these twin reasons, it is argued, tenant farms are less efficiently run than owner-operated farms.

In a fairly comprehensive analysis, Cheung (1969) examined the above propositions and held that sharecropping in fact could be an efficient way of organising agricultural production provided the landlord was able to insure efficiently in share tenancies by

monitoring inputs. Regarding his model, Cheung held the following assumptions: (i) landlord operates some land and leases out the rest in sharecropping; (ii) sharecropping is a utility maximiser subject to land, labour and production function constraints; (iii) labour market is perfect and wage rate is given; (iv) a sharecropper is free to turn into wage-labourer, and (v) the work decision is taken by landlords themselves. Following these assumptions, Cheung established, whether land was leased out to sharecroppers or to fixed rent tenants or cultivated with the help of hired labourers, they would give more or less the same returns to the landowner. Newbery (1974, 1977) and Stiglitz (1974) extended Cheung's approach in a major way.

Burhan and Srinivasan (B-S) (1971) argued that sharecropping gives 'inefficiency' if assumption (v) is reversed, i.e. if the cultivator takes the whole decision.

A K Bagchi (1975a,b) attacked both the Cheung and B-S models, for their neo-classical explanation of share-tenancy. He questioned the assumptions (i), (ii) and (iv) of Cheung. According to Bagchi, Cheung did not mention in his model the extra-legal coercion of tenants by landlords. Also both the Cheung and B-S model is inadvertently based on imperfect labour market assumptions.

The whole neo-classical school has not reached any definite conclusion regarding share-tenancy, yet they greatly differ in their opinions. One should also note that neo-classical analysis is espe-

cially lacking in substance sharecropping farming. The recent exposition by Krishna Bharadwaj (1980) deserves special attention in this context.

According to Bharadwaj, in the Indian society, the co-existence of market and non-market forces is evident, and neither is less important than the other. Various statistical studies (such as the NSS on land distribution) as well as sociological and anthropological case studies of particular villages indicate very strongly the sharp inequalities in distribution of land and assets giving rise to various patterns of power and domination and consequent exploitation, discrimination and oppression of the weak. It is futile in such situations to talk of competitive market processes and free decision-making by individuals in response to parametrically determined prices. Moreover, the recent political events and social situations of conflict in different parts of the country has also made it evident that the non-market forces cannot be ignored as of secondary importance.

Possibly with such theoretical considerations in mind, some attempts have been made in recent years by social scientists in our country to analyse 12 various economic institutions in terms of both market and non-market forces.² These studies have attempted to show that the non-market forces are interlocked with some market forces giving rise to a situation where the traditional tools of the neo-classical economics lose much of their relevance.

As a sequel to this framework, tenancy study has been given wide im-

TABLE 1: DISTRIBUTION OF LESSOR-LESSEE HOUSEHOLDS BY CASTE AND COMMUNITY AFFILIATION BY INTERSECTION AND NON-INTERSECTION VILLAGES

Lessee's Caste/ Community	Intersection Village						Non-Intersection Village					
	Lessor's Caste/Community						Lessor's Caste/Community					
	Raj- bansi (SC)	Oron. Munda etc (ST)	Mus- lims	Nepa- lese	Others Inclu- ding NA	Total	Raj- bansi (SC)	Oron. Munda etc (ST)	Mus- lims	Nepa- lese	Others Inclu- ding NA	Total
Rajbansi (SC)	22	0	0	0	11	33	25	2	0	0	23	50
Oron. Munda etc (ST)	5	4	2	2	13	26	0	1	1	0	3	5
Muslims	0	0	0	0	5	5	1	0	0	0	1	2
Nepalese	0	0	0	1	3	4	0	0	0	0	0	0
Others including (NA)	0	0	0	2	7	9	3	0	1	0	17	21
Total	27	4	2	5	39	79	29	3	2	0	44	78

TABLE 2: SIZE CLASS DISTRIBUTION OF OWNERSHIP HOLDING AND OPERATIONAL HOLDING OF TENANT HOUSEHOLDS IN INTERSECTION AND NON-INTERSECTION VILLAGES

Size of Ownership Holding (Acres)	Intersection Village					Non-Intersection Village				
	Size of Operational Holding (Acres)					Size of Operational Holding (Acres)				
	0.01- 1.25	1.26- 2.50	2.51- 5.00	5.01- 7.50	Total	0.01- 1.25	1.26- 2.50	2.51- 5.00	5.01- 7.50	Total
0	3	12	25	7	47	2	17	21	3	43
0.01-1.25	0	3	4	2	9	0	7	12	0	19
1.26-2.50	0	1	10	4	15	0	1	13	1	15
2.51-5.00	0	0	3	3	6	0	0	0	1	1
5.01-7.50	0	0	0	0	0	0	0	0	0	0
All	3	16	42	16	77	2	25	46	5	78

porance in India particularly by social scientists with a Marxist orientation. Their analysis, within the interlinkage framework, rests on the view that sharecropping is a device for extracting a surplus from the peasantry on the basis of two modes of exploitation: exploitation based on the landowner's traditional property in land as well as that based on usury, without introducing technological progress in agriculture (termed as 'semifeudal') (Bhaduri 1973; Prasad 1974). Recently, an alternative approach to the problem of tenancy has been developed which holds that sharecropping is not always a feudal or a pre-capitalist institutional arrangement (Bardhan and Rudra 1978; Rudra 1982).

While judging the empirical relevance of a problem within the interlinkage framework, two levels of relations have to be considered as co-ordinates of the problem. At the concrete empirical level, relations defining attributes such as terms and conditions of contract, credit relations, and the like, are important and inexpedient. At the more abstract level, the agrarian class categories, marked by antagonistic and/or non-antagonistic contradictions, in the context within which the concrete empirical attributes find their relevance. Since agrarian conflict is the product of the agrarian structure and since the agrarian structure is conceived partly or fully within an interlinkage framework, the survey

specifically of the movement belt can be advantageously used to judge the empirical soundness of the interlinkage approach.

II

Survey Design

The Siliguri subdivision of Darjeeling district in north Bengal (known as the "Terai" area) is covered by the four police stations of Siliguri, Phansidewa, Kharbari and Naxalbari. The last named came into existence in 1960. A study of the tenancy arrangement in this frontier region, characterised by a large-scale peasant mobilisation and revolt which occurred a decade and a half ago, is the object of this paper.

Historically, on account of geo-political considerations (with Nepal and Bhutan borders with India), the region was not governed by the Bengal Tenancy Act of 1885. It was brought under cultivation through *khas-mahal* leases. In the presence of a large semi-tribal population, mainly Rajbansi, Koch and Pa'ia, the landlords and lease-holding jotedars evolved a form of land management, overwhelmingly based on sharecropping and locally known as *adhari*.² Thus, a study of tenancy in this region means the study of the jotedari-adhari system.⁴

However, since the area under investigation is covered by large tracts of forest and tea plantations and is not homogeneous in physical and in techno-

economic terms, it was found necessary to obtain first-hand basic data (economic and socio-political) before undertaking an intensive survey on agrarian issues. We thus initially canvassed a village-schedule primarily with a view to obtaining an approximate idea of the strength of households of the various agrarian class categories (i.e. big peasant, middle peasant, small or poor peasant, tenant and labourer) and their caste and community affiliation. In order to do this, a FPS (Probability Proportional to Population Size) of 25 per cent of the total revenue units (*moajas*) on the basis of 1971 census data was taken against each police station area except the urban biased Siliguri PS because of its largely non-agrarian character. This procedure was necessitated by the large variation in the population. Nearly 52 *moajas* consisting of 90 jotes (villages) were selected in these three police stations. The survey was conducted between December 1981 to March 1982.

Since a *moaja* is constituted of a number of jotes, the village-schedule was canvassed first at the jote-level of the selected *moajas* and, from this, *moaja* level information was collated on the basis of the jote-level information. The schedule was canvassed among three groups of people, purposively chosen — two from landowners, two from labourers and tenants, and two from village officials and influential persons. Thus, in all, we have tried to get six schedules filled up for each jote of the selected *moajas*.⁵ This enabled us to identify the agrarian areas in the three police stations of the sub-division. In particular, it was possible now to locate revenue units (*moajas*) where cultivable land markets in terms of leasing-in and leasing-out, and the interplay of this market with labour and credit markets, existed.

However, the actual selection of units from among these was guided by a further consideration — viz, the

TABLE 3: DISTRIBUTION OF TENANTS BY TENANT'S FATHER'S OCCUPATION AND SIZE OF OWNERSHIP HOLDING OF INTERSECTION AND NON-INTERSECTION VILLAGES

Tenant's Father's Occupation	Size of Ownership Holding (Acre) of Tenants									
	Intersection Village					Non-Intersection Village				
	0	0.01-1.25	1.26-2.50	2.51-5.00	Total	0	0.01-1.25	1.26-2.50	2.51-5.00	Total
Tenant cultivator	25	3	3	1	32	24	10	7	0	41
Owner cultivator	7	5	8	3	23	13	9	5	1	28
Agricultural labour	7	0	1	1	9	3	0	2	0	5
Tea estate worker	3	0	1	0	4	0	0	0	0	0
Business	1	0	1	0	2	0	0	0	0	0
Service	2	0	1	0	3	1	0	0	0	1
Others including not available	2	1	0	1	4	2	0	1	0	3
Total	47	9	15	6	77	43	19	15	1	78

TABLE 4: ASSOCIATION BETWEEN CROP-SHARE AND COST-SHARE OF INTERSECTION AND NON-INTERSECTION VILLAGES

Crop-Share (Lessee : Lessor)	Intersection Village			Non-Intersection Village		
	Cost Borne by Tenant Only	Cost Borne by Both Owner and Tenant*	Total	Cost Borne by Tenant Only	Cost Borne by Both Owner and Tenant*	Total
	75 : 25	16	0	16	37	1
60 : 40	0	0	0	0	2	2
50 : 50	3	58	61	10	28	38
Total	19	58	77	47	31	78

Note : *Tenant bears the full cost of seed and 50 per cent cost of bullock labour; all other costs of material inputs e.g. costs of fertiliser, irrigation etc. are borne by the landlord, if at all used.

peasant mobilisation that had taken place in 1967. On the basis of some relevant information from secondary sources, regarding the occurrence of movement events in 1967, it was found that as many as six jotes could be identified from among the moules characterised by substantial tenant concentration, where the impact of the historic peasant mobilisation was in evidence. Thus these jotes provided the intersection of both — the peasant movement and the co-existence of land, labour, and credit markets. In addition to the selection of these six intersection jotes, an equal number of matched non-intersection jotes were also selected from 'non-movement' areas of the original sample. Thus whilst the controlled and experimental criterion of selection was introduced, a certain amount of purposiveness in selection had to be accepted in the formulation of intersection jotes.

All the households belonging to the agrarian categories in these 12 villages (jotes) were completely enumerated. Most of the questions in the second stage of investigation relate to the terms and conditions of land, labour and credit contracts prevailing in the village/jote.

Our present paper is based on the

data of tenant households in the 'intersection' and 'non-intersection' villages. Data relate to the terms and conditions of tenurial contracts and credit arrangements reported by the tenants themselves and their knowledge about the socio-economic status of their respective households also.

We have presented our results of analysis on tenurial contracts in the next section of this article. The results presented cover 77 tenant households in the intersection villages and 78 tenant households in the non-intersection villages in the Naxalbari, Kharabari and Phansidewa regions of Siliguri subdivision. The patterns revealed by the data, however, may not be generalisable from the statistical point of view for reasons just stated. Nevertheless, hopefully, the insights obtained through the analysis will provide for sufficient stimulation in this emerging area of research.

The results of our analysis are presented in four sections. Section III, which follows, deals with the land tenure structure in Intersection and Non-Intersection villages, followed next by section IV containing an analysis of the types of tenurial arrangements in these two types of villages. Section V then examines the role of

credit in tenurial contracts. The last section, VI, in the light of the foregoing analysis, ventures to offer some views regarding the tenurial contracts of the region under study.

III

Land Tenure Structure

Land tenure structure has been discussed here in terms of both land-ownership and operational holding patterns as well as caste and community affiliation of the lessors and lessees. Table 1 gives the distribution of lessor and lessee households according to their caste and community affiliation for 'intersection' and 'non-intersection' villages (henceforth we will refer to these as IS and NIS villages, respectively).

Table 1 shows that the majority of tenants, both in the IS and NIS villages, belong to the Rajbansi category and that their landlords are predominantly Rajbanis. Thus, the cultivable land markets of this region are largely dominated by the people of a certain scheduled caste community (i.e. Rajbansi) which is not typical of other places in West Bengal, where lessors generally belong to the high castes and lessees by and large come from the lowest rungs of the social hierarchy (Chattopadhyay 1982). Thus the pervasiveness of a community in the land market is a unique feature of this region and may serve as an explanatory factor in understanding tenurial arrangements.

Coming now to the land-ownership pattern, we observe that the households reporting leasing out lands mostly belong to the categories 'middle and big peasants.' With respect to the households leasing-in land, however, it was found that the majority of the households (56 out of 77 in the IS villages and 62 out of 78 in the NIS villages) belonged either to the landless category or to the category of small peasants (Table 2).

Economic theorists very often argue that there is a positive relationship between the bargaining power and the asset position of individuals. Thus, the lower asset base of a certain group of people signifies poor bargaining power of this group vis-à-vis other groups. Concentration of tenant households in the categories of landless and marginal peasants (i.e. having little or no ownership holding), both in the IS and NIS villages, thus means that these tenants generally have poor bargaining power vis-à-vis their landlords who have a superior asset base in terms of their ownership holding.⁷ In

TABLE 5: PARTICIPATION OF TENANTS IN PRODUCTION DECISION AND FARM-WORK SUPERVISION IN INTERSECTION AND NON-INTERSECTION VILLAGES

Types of Villages	Farm-Work Supervision by*		Production decision taken by	
	Tenant Only	Tenant and Landlord	Tenant Only	Tenant and Landlord
Intersection	52	25		0
Non-Intersection	55	22	77	1
Total	107	47	154	1

*Note: *Information on this item is not available from one tenant in the NIS villages.

TABLE 6: DESCRIPTION OF SOURCES OF CREDIT FOR VARIOUS CLASSES OF TENANT HOUSEHOLDS

Class of Tenants by Size Class of Ownership Holding (Acres)	Intersection Village				Non-Intersection Village			
	Sources of Credit				Sources of Credit			
	Private	Institutional	Both	Not Getting Loan including NA	Private	Institutional	Both	Not Getting Loan including NA
0	35	1	0	11	25	0	0	18
0.01-2.50	11	0	1	12	11	0	0	23
2.51-5.00	2	0	0	4	0	0	0	1
48	48	1	1	27	36	0	0	42

TABLE 7: DISTRIBUTION OF TENANTS BY CATEGORY 'NOT GETTING LOAN' BY TYPES OF LANDLORD AND BY TENANTS PARTICIPATION ON THE 'OPERATION BARGA' REVENUE

Land ords Located in	Intersection Village*		Non-Intersection Village**	
	Registered Name in Operation Barga	Not Registered name in Operation Barga	Registered name in Operation Barga	Not Registered name in Operation Barga
Village	4	0	15	7
Owners	16	3	7	1
Total	22	3	22	8

*Notes: *Information on 2 cases are not available.
**Information on 12 cases are not available.

the absence of superior bargaining power among the tenants, it is expected that the terms and conditions of contract would be in favour of the landlords. And, of course, this situation does not satisfy competitive market conditions.

The size class distribution of operational holdings of tenants further reveals that the majority of tenants (58 out of 77 in the IS villages and 51 out of 78 in the NIS villages) possess operational holdings of more than 2.50 acres. Since the region under study is very underdeveloped, in terms of irrigation, cropping pattern, intensity of cropping etc, operational holdings of upto even 7.50 acres can hardly be called 'high' in view of the extremely low return from the land. Productivity per acre of paddy crop ranges between 12 to 21 maunds. Increasing landlessness among the tenant households, however, keeps the tenant in a disadvantageous position and

frequently pushes him into unequal relationships of dependence with the landlord, as may be seen in the following analysis.

In order to understand the phenomenon of landlessness among tenants, a close look at the data presented in Table 3 may be useful.

The following observations can be made from Table 3:

(a) There are 23 tenants in the IS villages whose fathers were owner cultivators. Out of these, 20 tenants are now landless or marginal peasants and the remaining 3 are small peasants. This indicates a sharp downward mobility of tenants in the IS villages. A similar conclusion can be drawn on the basis of the data on the NIS villages.

(b) Taking the comparisons between landless and landed tenants, we observe that the number of landless tenants have decreased from 32 to 25 in the generational context but in-

creased from 32 to 47 in the overall context. Similarly for NIS villages.

It is quite often argued that the migrations of people, from other places of India or from outside India, have contributed to the swelling of the ranks of landless population. However, a close scrutiny of our field data, at least the data on tenancy, reveals that except for 4 tenant households in the IS villages, and 2 tenant households in the NIS villages, all have settled in this place before 1987. Thus, in this region, migration does not seem to be a cause for the swelling of the numbers of landless tenants.

Within this kind of land tenure structure, let us examine the types of tenancy arrangements in the two types of villages mentioned above.

IV

Types of Tenancy Arrangements

The types of tenancy arrangement considered in this section pertain to the major crop produced on the leasehold households. Most of such holdings reported a mono-crop pattern, viz. cultivation of early kharif paddy (Aur) or jute on high lands and kharif paddy (Aman) on low lands. The incidence of double or multiple cropping on leasehold lands is almost insignificant.

All the tenants in our sample are identified as 'sharecroppers', i.e. they cultivate others' lands on a crop-sharing basis and own some instruments of production such as one or two bullocks), plough etc. It is interesting that we did not encounter a single case of fixed rent tenancy. Thus, as in other parts of West Bengal that have been studied by other scholars (Rudra 1975; Bardhan and Rudra 1980; Khanna and Chakravarty 1982), here too sharecropping is the principal form of tenancy.

There are three different forms of crop-share in this region (Table 4). Considering the three different forms of crop-share with the two broad classification of cost-sharing patterns, five different types of tenancy arrangements can be discerned in this region. Compared to the corresponding findings in the surveys conducted by other scholars described above, our data reveal a relatively simple picture.

Table 4 shows that there are three types of tenancy in terms of both crop and cost-shares in the IS villages, among which 50:50 crop-share with cost participation both by the landlord and the tenant is the principal form of tenancy. In the NIS villages, however, five different types of tenancy exist, with respect to crop and cost-

TABLE 8: TYPEWISE BREAK-UP OF CREDIT FROM PRIVATE SOURCES BY CLASS OF TENANTS

Class of Tenants by Size-Group of Owner-ship Holding (Acre)	Intersection Village				Non-Intersection Village			
	Consumption Loan	Non-Consumption Loan	Both	Not Getting	Consumption Loan	Non-Consumption Loan	Both	Not Getting
0	19	7	9	9	25	0	0	16
0.01-2.50	9	2	1	10	10	0	1	13
2.51-5.00	1	0	1	4	0	0	0	1
All	29	9	11	23	35	0	1	30

shares among which 75:25 crop-share with cost participation fully by the tenant seems to be the principal form of tenancy. Moreover, 60:40 crop-share with cost participation both by landlord and tenant seems to exist, at any rate, in the NIS villages only.

Thus, two different patterns of sharecropping arrangements are revealed from the data pertaining to the two different sets of villages. From our data, the 50:50 crop-share together with the existence of tenant's cost-share — as the older form of tenancy in this region — seems to have changed in the non-movement villages; but it has remained practically unaltered in the movement villages. The thrust of the 75:25 crop-share emphasises the phenomenon of relative freedom of tenants in production relations. From this point of view, the customary form of tenancy remains the more exploitative type. It will be fruitful to recall that the large-scale peasant mobilisations in this region during 1967-69 found their focus around such share-cropping issues. Therefore, the observed variations in the patterns of crop- and cost-sharing arrangements, between IS and NIS villages, seem on the face of it to belie one's expectation that large-scale peasant mobilisations should have altered the exploitative traditional form of tenancy. On the contrary, it seems that landlords in the IS villages are in a position to keep tenancy at the exploitative level. Surprisingly, the peasant movement in 1967 and the land reform measures through 'Operation Barga' in 1978 have not produced satisfactory results in curbing the economic dominance and exploitation by the landlords in the IS villages.

Such a position of dominance over the tenancy market arises out of various economic and non-economic advantages enjoyed by the landlords. Among such economic factors are: (i) the landlord's participation in costs; (ii) active farm-work supervision; and (iii) participation in the decision-making process.

The landlord's participation in costs implies that his claim to his share is

not exclusively on the basis of his property rights, the claim is also based on a portion of working capital supplied by him. He, therefore, is expected to participate actively in farm-work supervision and in production decisions. Thus, in respect of surplus appropriation, Marx held this as a sort of "half-way home between pure profit and pure rent". It is this characteristic which has been described as "more or less a semi-feudal society" (Capital, volume 3, p. 769).

Interestingly, our data, presented in Tables 4 and 5, suggest that the landlords who participate largely in costs, are neither inclined towards farm work supervision nor to making production decisions. Thus, out of 77 cases in the IS villages, we find that there was participation in cost by the landlords in as many as 58 cases. Out of 78 cases in the NIS villages, we find that there were as many as 31 cases. Combining the IS and the NIS villages together, it is seen that out of 155 cases, there is no participation in cost by the landlords in as many as 66, i.e. 42 per cent of the total cases. In this situation, it is very difficult to infer that the cost-sharing arrangement as a part of tenancy contracts is widely prevalent in rural areas.⁹ However, our data relating to the IS-villages do not contradict such an observation.

Although a large number of landlords participate in costs, especially in the IS villages, the data on farm-work supervision and production decisions suggest that these are done largely by the tenants only and there is no significant variation of this pattern between IS and NIS villages. Our findings thus seem to indicate that the participation of landlords in the cost, which introduces a profit element in the surplus appropriated by them, is not found to be strongly associated with the output-raising innovations because of the poor response of the landlords in farm-work supervision and production decision. In other words, the landlords in this area, whether of IS or NIS villages, are not inclined to accept agriculture as the major area of investment.

Coming now to the cases where landlords do not even participate in the cost, and where farm-work supervision is done and production decisions are taken exclusively by tenants, we find that output-raising innovations are also absent. Of the total 155 cases, 42.58 per cent belong to this category. Although such tenants cultivate land under relatively 'free' terms and conditions, they cannot afford to go in for the adoption of output-raising innovations because of their weak asset base. This creates a problem of both absolute and relative deprivation among members to this tenancy type.

Abstention of landlords from the production process described above can be explained in several ways. Bhaduri [1973] explained this phenomenon in terms of the existence of an interlinkage between tenancy and credit conditions. We shall examine the empirical validity of his explanation with respect to our data in the next section.

V

Role of Credit in Tenancy Contracts

About 65 per cent of the tenants (50 tenants out of 77) in the IS villages, and nearly 46 per cent of the tenants (36 tenants out of 78) in the NIS villages, enter into the credit market as receivers of loans (Table 6). In this context, it may be noted from our analysis of the previous section that the customary form of tenancy is dominant in the former villages and the post land reform changes are more evident in the latter villages. It is clear, therefore, from these two sets of data that incidence of credit is high in the customary form of tenancy and low in the case of post-reform form of tenancy (typified by 75:25 crop share with total cost share by tenant).

A class-wise break-up of tenants by the incidence of credit further reveals from Table 6 that the incidence of credit is higher among the landless tenants than among other categories of landed tenants. This is true both for the IS and NIS villages. This is

TABLE 9: SOURCEWISE BREAK-UP OF CONSUMPTION LOAN (FROM PRIVATE SOURCES)

Class of Tenants by Size Group of Ownership Holding (Acres)	Intersection Village					Non-Intersection Village						
	Landlord		Friends & Relatives		Non Landlord*	Total	Landlord		Friends & Relatives		Non Landlord	Total
	with Interest	without Interest	with Interest	without Interest			with Interest	without Interest	with Interest	without Interest		
0	15	7	2	1	3	28	22	0	1	0	2	25
0.01-2.50	5	0	1	0	4	10	7	0	2	0	2	11
2.51-5.00	2	0	0	0	0	2	0	0	0	0	0	0
All	22	7	3	1	7	40	29	0	3	0	4	36

Note: * Loans are provided with interest in all the cases.

TABLE 10: SOURCEWISE BREAKUP OF NON-CONSUMPTION LOAN (FROM PRIVATE SOURCES)

Class of Tenants by Size/Group of Ownership Holding (in Acres)	Intersection Village					Non-Intersection Village				
	Landlord		Non-Landlord		Total	Landlord		Non-Landlord		Total
	with Intc. rest	without Intc. rest	with Intc. rest	without Intc. rest		with Intc. rest	without Intc. rest	with Intc. rest	without Intc. rest	
0	3	5	7	1	16	0	0	0	0	0
0.01-2.50	0	1	1	1	3	0	0	1	0	1
2.51-5.50	1	0	0	0	1	0	0	0	0	0
All	4	6	8	2	20	0	0	1	0	1

contrary to the findings of Khasabhis and Chakravarty [1982] in Nadia district, where it has been observed that the higher the land base (ownership-wise), the higher the participation in the credit market as receivers of loan.

According to our data, landless people are found to participate more in the credit market, obviously not because they are more creditworthy, but because the credit requirement for their very economic subsistence is higher compared to that of landed tenants. Thus, private lenders dominate the credit market of landless tenants absolutely, and it carries over year to year. This has been possible partly because of downward mobility of tenants and to a large extent due to the negligible role of institutional credits.

There is, however, a significant percentage of tenants in all the categories who do not get loan from any source. The tenants attribute this to either (a) lack of cordiality with their landlords, or (b) indifference of landlords to farm supervision and in decision-making. The lack of cordiality is invariably an outcome of barga recording by the tenant against the wish of the landlord. While the indifferent landlord is not interested in providing loans to his tenants, and is satisfied that he is getting some ground rent, what is interesting is that in the IS villages the larger proportion of indifferent landlords are located in the towns and are contented to receive ground rent. On the other hand, in the NIS villages, the lack of cordiality between

landlords and tenants is more pervasive and even tenants who have not recorded themselves as bargadars are deprived of much needed credit (Table 7).

Coming now to the data on incidence of credit from private sources with respect to consumption loan and non-consumption loan separately, it is seen from Table 8 that 40 out of 40 tenants of IS villages have taken consumption loans from private sources, among which the landless tenants predominate (28). The corresponding figure for non-consumption loan is 20, of which 18 cases are those of landless tenants. In the case of NIS villages, it is found that the incidence of non-consumption loan is significantly lower than the consumption loan.

Defining 'consumption loan' as credit taken, either in cash or kind, for meeting consumption need of the family and defining 'non-consumption' loan for purposes other than meeting consumption expenses, i.e. for expenses on production, ceremonial purposes, etc, we find from Table 8 that the incidence of consumption loans for all classes of tenants and for both types of villages is higher than the incidence of non-consumption loans. This finding is indicative of the absence of production or non-consumption loan from any sources. Consequently, the prospects of increasing production in this region are meagre. It is not unexpected, therefore, that the debts of the tenants from their landlords would accumulate over the years and

that they would be compelled to bind themselves to their landlords for longer periods.

In order to appreciate the usefulness of the above analysis, the data on consumption and non-consumption loans, with respect to various classes of tenants, will be revealing (Tables 9 and 10).

It is seen from Table 9 that, out of 40 cases of consumption loans in the IS villages, 22 tenants mentioned landlords as the source of credit charging interest. The corresponding figure in the case of NIS villages is 29 out of 36 cases. In the case of non-consumption loan, landlords were mentioned as the source of credit only in 4 cases out of 20. The corresponding figure in the case of NIS villages is zero out of one. Considering both consumption and non-consumption loans together, we find that the landlords served as a source of credit in 39 cases in the IS villages and in 29 cases in the NIS villages. Out of the 39 cases, only 13 cases were interest-free loans and none was interest-free in the case of NIS villages. These findings by and large support the hypothesis that a land-lease contract will be linked with a credit contract at least in the case of landlords residing in the rural areas.

Considering the sources of consumption and non-consumption loans for various classes of tenants, it is seen from Table 9 and 10 that the landless tenants who scarcely have no other security except their land-lease contract

TABLE 11: DESCRIPTION OF CONSUMPTION AND NON-CONSUMPTION LOANS FROM VARIOUS NON-LANDLORD SOURCES

Non-Landlord Sources	Intersection Village		Non-Intersection Village	
	Consumption Loan	Non-Consumption Loan	Consumption Loan	Non-Consumption Loan
Professional moneylender	4	4	4	1
Friends and relatives	4	3	3	0
Trader	0	3	0	0
Tea garden workers	3	0	0	0
Total	11	10	7	1

TABLE 12: MODES OF REPAYMENT OF CONSUMPTION LOAN

Mode	Intersection Village Lenders				Non-Intersection Village Lenders			
	Landlord	Professional and Money lender and Others	Friends and Relatives	Total	Landlord	Professional Money lender and Others	Friends and Relatives	Total
Money to money	1	0	0	1	0	0	0	0
Crop to crop	28	3	0	31	28	4	3	35
Money to crop	0	4	4	8	1	0	0	1
Crop to labour	0	0	0	0	0	0	0	0
All	29	7	4	40	29	4	3	36

to offer against loans, find their landlords the single most important source of credit (30 out of 44 cases in the IS villages, and 22 out of 25 cases in the NIS villages. For the other classes of tenants, 9 out of 16 cases and 7 out of 12 cases reported the landlord as the source of loan in the IS and NIS villages, respectively. Thus we find that the interlinkage between the tenancy contract and the credit contract is very powerful not only in the case of landless tenants but in the case of landed tenants also. This is true not only for the movement villages but for the non-movement villages as well.

Further, we observe from Table 11, that the importance of non-landlord sources, i.e. friends and relatives, professional moneylenders, traders etc. in the rural credit market is insignificant. Of these sources, professional moneylenders as well as friends and relatives are by far the most important sources both in the IS and NIS villages. It is interesting to observe that friends and relatives of the tenants often provide credit to them but in most cases interest is charged, at terms and conditions similar to those of professional moneylenders.¹²

Coming now to the data regarding the modes of repayment of consumption loan, we find from Table 12 that out of 40 cases of loans in the IS villages, there were 31 cases of crop credit and crop repayment. The professional money-lenders and friends and relatives who supplied credit in

terms of either crop or cash, were paid back in terms of crop only. Similar patterns can be observed in the NIS villages also, except that the incidence of cash credit is relatively higher in the IS villages than in the NIS villages.

Apart from the high interest rate on such loans, it is profitable for a lender to provide crop loan and seek crop repayment. While 'crop to crop' mode of repayment is profitable for a lender in view of the fluctuating prices of crop over the months, the demand for crop credit is relatively higher among the tenants because it suits their consumption requirements.

The rate of interest on such credit is exorbitantly high. It has been reported by the tenants that the yearly rate of interest on such consumption loans varies between 50 and 100 per cent in cases where landlord provides the loan. The rate of interest on such loans becomes a little higher if the loan is taken from moneylenders. This is so because the moneylenders generally do not take any surety from the loan-receivers. This highly personalised character of credit is maintained by the lenders through their superior social and economic power. However, the incidence of credit from moneylenders or from other agencies is not so significant in this region as compared to the other places. In fact, the credit market of this region is found to be dominated by the landlord class and our observations, by and large, are consistent with some of the crucial formulations of Bhaduri (1973).

VI

Summary and Conclusion

In this section, we shall take an overall view of the tenancy contracts that are taking place in this region in the light of the results presented in the preceding sections.

It is a well-known fact that agrarian structure in this region, in the pre-1957 period, was marked by the predominance of jotedars, who leased out their land to peasants known as adhars, and lived on rent. Under conditions of patron-client relationship, usury and land policy played an important role in crystallising the jotedari-adhar system.¹³

The agrarian structure of this region has not remained static since then. Due to factors, both economic and political, significant changes have taken place in its content and contours. Among these factors, mention may be made of: (a) land reform legislation in 1955 and its implementation; (b) the expansion of domestic market for agricultural products; (c) the peasant revolt in 1967; and (d) the Operation Barga movement in 1978.

Regarding the land-tenure structure at the present times, it can be said that (a) the lessors do not give much evidence of entrepreneurial or innovativeness; (b) sharecropping has become the principal form of tenancy during recent times; (c) proportion of landless tenants has gone up; and (d) proportion of absentee landlord, has increased.

From these, one might have expected the traditional forms of customary tenancy arrangements to have become less prevalent and their subsequent replacement being effected by more contractual types. Although we get such an impression from the data on non-movement villages, the reverse is true of movement villages. The lack of entrepreneurial and innovative role we have found, could be explained more efficiently in terms of the existence of an interlinkage between tenancy and credit conditions. One of the significant findings in this context is that the credit market is found to be dominated by the landlords as assumed by Bhaduri (1973), and not by the non-landlord loan-givers (e.g. traders, professional moneylenders etc.) as assumed by Rudra (1975a), Khasnabis and Chakravarty (1982).

At the same time, the data do not entirely support the notion that this type of production relations in the villages can be described as 'semi-feudal'.¹⁴ The argument based on

this type of concept is that such production relations allow the simultaneous operation of two modes of exploitation — exploitation based on the landowner's traditional property right to land, as well as that based on usury. But one can raise more fundamental objections against this concept as is done by Bardhan and Rudra (1978): "The essential features of a feudal mode are associated with the appropriation of surplus in the form of ground rent and unpaid labour services to primarily non-cultivating landlords through extra-economic coercion or social and legal compulsion" (emphasis ours). Our data suggest that the typical landlords we came across dominated the credit market, but could not any more "exist in the oppressive variety of extra-economic coercion."

Notes

[This paper has been prepared on the basis of data collected from the ongoing project, "Conflict, Structure and Change: Explorations in the Study of Agrarian Social Systems" jointly directed by Partha N. Bhaduri and Manu- lends Chattopadhyay. We are thankful to Mukherji for his valuable comments and suggestion.]

- As is well known, the beginning of this line of theoretical work was with Adam Smith (1937). For a brief summary of early literature, see Johnson (1950). For recent debates, see Cheung (1969), Bardhan and Srinivasan (1971), Stiglitz (1974), Bell and Zussman (1978), Reid Jr (1976), Newbery (1977), Bell (1977), Koo (1973) etc.
- The noteworthy works based on this line of approach are of Bhaduri (1973); Bhardwaj and Das (1975a, b); Rudra (1975); Bardhan and Rudra (1978); Khanabisi and Chakravarty (1982).
- For a brief summary of the early agrarian structure in this region, see Bandyopadhyay (1977).
- For a detailed discussion of the point, i.e. of how the jointed system in this region crystallised over a period of time into a jointed-*adhiari* system, see Mukherji (1978).
- Our survey was preceded by a fairly large-scale survey on more or less similar issues carried out by Bardhan and Rudra (1978). We have benefited greatly from discussions with Ashok Rudra at the phase of designing and framing of schedules.
- In the classification of the peasants in this locality, we have depended on local opinion. In the local parlance, a big peasant is one who holds a land of over 10 acres, a middle peasant being 5 to 10 acres, and a small peasant less than 5 acres.

- This observation and its subsequent argument are consistent with the findings and inference drawn by Khanabisi and Chakravarty (1982).
- Khanabisi and Chakravarty (1982); Bardhan and Rudra (1978); Rudra (1975); Hanumantha Rao (1975) have observed that the cost-sharing arrangement as a part of tenancy contracts has become prevalent in rural India. Our data do not support such an observation unrestrictedly.
- This loan is usually taken in cash and kind during lean seasons of agricultural year.
- This finding supports the view of Kurup (1976), and contradicts the finding of Khanabisi and Chakravarty (1982).
- See Rudra (1975a); Khanabisi and Chakravarty (1982).
- This is implicit in Bandyopadhyay (1977); Mukherji (1978).
- It may be noted that Amit Bhaduri (1973) constructed the 'semi-feudalism-usury trap' model on the basis of the *Kshetri* system of Bihar.

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