

**LAND DISTRIBUTION AND TENANCY RELATION AMONG
SOCIAL GROUPS: A STUDY OF UTTAR PRADESH**

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DECLARATION

I, Bipin Kumar Chaurasia, hereby declare that the dissertation entitled "LAND DISTRIBUTION AND TENANCY RELATION AMONG SOCIAL GROUPS: A STUDY OF UTTAR PRADESH" submitted by me for the award of the degree of MASTER OF PHILOSOPHY is my bonafide work and that it has not been submitted so far in part or in full, for any degree or diploma of this university or any other university.

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LIST OF ABBREVIATIONS

GC	Gini-Coefficient
Ha	Hectare
ICCR	Inter-class concentration ratio
NSSO	National Sample Survey Organisation
ST	Scheduled tribes
OBC	Other Backward Caste
SC	Scheduled Caste
U.P.	Uttar Pradesh
HH	Household
AOW	Area Owned
LHS	Land Holding Survey
CI	Confidence Interval
MOSPI	Ministry of Statistics and Programme implementation

CHAPTER-1

INTRODUCTION

1.1 Introduction

The inequitable distribution of land is the characteristic feature of most of the agrarian societies of the world. It is the starting point for the whole process of evolution of agrarian structure in general and the emergence of an institution like tenancy, in particular. Access to land is very important for the agriculture based rural economy since, it is an important source of livelihood and means of production. Usually economic and social position of the household as well as power relations in the rural areas is determined by the access to land.¹ Keeping in mind the importance of land for the livelihood of poor rural people various legislation was drafted after independence which is clubbed under land reform to end the oppressive and exploitative feudal relation and provide land to the tiller. Since land reform is a state subject, a huge divergence exists with respect to formulation and implementation of the land reform measures. Despite the limitation, land distribution structure and tenancy relation in rural India have undergone many changes because of land reform, continuing demographic pressure, technological change and market transaction.

Though the implementation of land reform measures were partially carried out with the stated objective of, to confiscate the surplus land from the large landlords and to distribute it among the landless and marginal farmers, it made significant impact in some states. Redistributive land reform became the part of the democratic revolution and freed the people of the rural areas from the fetter and oppression of landlordism.² Even after enactment and implementation of land reform measure in various states, the distribution of land continues to remain skewed and scheduled caste and scheduled tribes has less access to land in comparison to OBC³ and upper caste. Apart from that, dalits and tribes faced historical discrimination. The tribals were isolated and the dalits were discriminated and excluded from various economic resources through the

¹ Bakshi, A. (2008). Social inequality in land ownership in India: A study with particular reference to West Bengal. *Social Scientist*, 95-116.

² Bakshi, A. (2008). ,Op. cit. 95-116.

³ OBC- other backward class as per national sample survey.

practices of untouchability. Thus, skewed land distribution against dalits and other depressed caste affects significantly, not only their livelihood but also their esteem and living standards in the society. In India still, access to land is by and large determined by the caste of the household. Traditional taboos and belief still have stronghold across many parts of India. These taboos and belief imposes social obligations and economic deprivation for the dalits.⁴

Tenancy is the natural phenomena ensues from the skewed ownership pattern of landholding. However, a different form of tenancy accompanied by different terms not only affects production relation but also have implication for rural poverty. Tenancy as a lease market also provide access to land for the rural household. Earlier tenancy legislation were made to restrict the lease-market because it has been regarded traditionally based on the inefficiency, oppression and exploitation.

Many states attempted to made legislation to prohibit or regulate the tenancy as a component of the land reform measure. These measure benefitted to the large number of tenants who were able to acquire land rights on the lands cultivated by them. However, due to lack of proper record and resumption of land, large number of tenants were displaced and forced to join the ranks of the agricultural labourers. At the same time these prohibitory measure restricted the poor, landless and marginal household to access the land through the lease-market. Thus, tenancy prohibition act not only led to the concealment of tenancy but also made the condition of tenants vulnerable in the absence of legal protection. Due to the fear of tenancy law, the tenants used to have oral contracts with the landlord. It resulted in the precarious position of tenants and these tenants may have little incentives to investment as well as cultivate land efficiently. On the other land, larger landowners used to keep their land as fallow land due to ban on tenancy.⁵ Thus, tenancy legislation in this twenty-first century leading to restricted access to land for the marginalised section.

⁴ Thorat, S. (2002). Oppression and denial: Dalit discrimination in the 1990s. *Economic and Political Weekly*, 572-578.

⁵ Singh, A. K., & Mehrotra, S. (2017). Land Policies For Inclusive Development: A Reform Agenda for India's Most Populous State. *Journal of South Asian Studies*, 5(2), 63-76.

The contract of tenancy, indebtedness and output linkage to market decides the mode of production of any region.⁶ Since 1970's there are heated debate on the prevalent mode of production in the Uttar Pradesh. However, the research shows that western Uttar Pradesh is characterised by the capitalist mode of production, whereas eastern Uttar Pradesh is characterised by the semi-feudal mode of production. Both mode of production has its own separate implication for the different region. The capitalist mode of production favours only the rich farmers, while the semi-feudal mode of production is characterised by exploitation, oppression and interlocking factor market⁷. So, to study the region with the background of mode of production can give different picture as well as broader policy implication for the region.

1.2 Statement of the Problem

Khan and Raman (2014) pointed out the agricultural crisis in Uttar Pradesh. Though it has not reached a critical stage, it is a long-lasting crisis. The crisis is seen in many areas like stagnation in production, farmer's indebtedness. Apart from that there is also poor returns to cultivation. These factors leads to the alienation and growing discontent of the farmers.⁸ Diwakar (2000) has revealed that the capitalist pace of transformation in West Uttar Pradesh is rooted in the colonial legacy of investment in agriculture in this region of hard-working Jats. However, this is yet to be a dominant feature of the agrarian society of this state. By and large, semi-feudal social formation persists despite the emergence of capitalist features in a few districts of Uttar Pradesh.⁹ Lerche (1998) wrote that different agrarian developments in the Uttar Pradesh seem to give the agricultural labourers very different positions in the local class struggle.¹⁰ Utsa Patnaik (1988) has argued that are characteristics of dynamic agrarian capitalism is prevailed in the Haryana, Punjab and parts of Uttar Pradesh. In these region strong middle/rich

⁶ Bhaduri, Amit (1973). A study in agricultural backwardness under semi-feudalism. *The Economic Journal*, 83, no. 329: 120-137

⁷ Bardhan, P. K. (1980). Interlocking factor markets and agrarian development: A review of issues. *Oxford Economic Papers*, 32(1), 82-98.

⁸ Khan, K. A. and Raman, R. (2014). Crisis of Agricultural in Uttar Pradesh: From Apprehension to Actuality. *Journal of Economics and Sustainable Development*.

⁹ Diwakar, D. M. (2000). Agrarian Transformation in Uttar Pradesh. *Journal of Social and Economic Development*, Vol. III, No. I

¹⁰ Lerche, Jens (1998). Agricultural labourers, the state and agrarian transition in Uttar Pradesh. *Economic and Political Weekly*, A29-A35.

peasantry play very vital role.¹¹ HR Sharma concluded that from 1953-1983, despite significant declining of the predominance of large landholding glaring inequalities continue to persist.¹² Shanker (1988) in his research of Uttar Pradesh found that after the zamindari abolition land transfer is more prevalent from the marginal and small landholder to the large and medium land owners. Due to this transfer of land, the small and marginal farmer became landless. This transfer of land was more prevalent in the western Uttar Pradesh in compared to the eastern and central Uttar Pradesh which also denotes the process of proletarianisation in the rural areas.¹³

1.3 Literature Review

1.3.1 Land Tenure, Agrarian Change And Land Reform

Agrarian relations has changed in India over the period. In the same way land tenure also varied historically. In the most of the medieval times, there was not any intermediary between the cultivator and the state. However, with the passage of the Mughal empire especially after Akbar, the different culture emerged where the new intermediaries was developed in the form of jagirdar, zamindar and village headman. It was also followed by the colonial rule (East India Company) as they established their rule by purchasing the Diwani or zamindari rights over 38 villages of Calcutta. Later on, during the period of colonisation Britishers practised a different system of land tenure or the methods of land revenue of collection over different parts of the country.¹⁴ In this time large feudal landowners or jamindar were allowed to collect tribute from the peasant in exchange for giving a certain amount of tax to the state. Seeing this system as the very exploitative abolition of intermediary, later on, became one of the aims of the aim of land reform.¹⁵ It has not only affected the livelihood pattern of the society but also the investment and the social capital. Banerjee and Iyer (2005) written about ‘why the historical land system should matter’. It is based on the differences in

¹¹ Patnaik, U. (1988). Some aspects of development in the agrarian sector in Independent India. *Social Scientist*, 17-40.

¹² Sharma, H. R. (1994). Distribution of landholdings in rural India, 1953-54 to 1981-82: Implications for land reforms. *Economic and Political weekly*, p.A12-A25.

¹³ Shankar, K. (1988). Land Transfers in Uttar Pradesh. *Economic and Political weekly*, 1514-1517.

¹⁴ Mehrotra, Santosh and Partha saha (2014). Land issues then and now in India: New challenges and policy delimitas, in Ajit kumar singh (eds.), *Land policies of equity and growth-transforming the agrarian structure in UP*. Sage publications. P. 18,19

¹⁵ Ghatak, M., & Roy, S. (2007). Land reform and agricultural productivity in India: a review of the evidence. *Oxford Review of Economic Policy*, 23(2), 251-269.

the investment and productivity in landlord and non-landlord areas even in post-independence India.¹⁶ This is an institutional legacy of colonial land administration in India. These differences or the outcome can be categorised into three ways first, differences in the distribution of wealth, second, differences in the political environment and third, differences in the relationship with colonial states.¹⁷“Regions that were under British colonial power in the pre-independence period and those where agrarian power was concentrated in the hands of landlords have lower access to these social goods.”¹⁸ Since the landlords were free to fix the terms of tenants, the tenants were more exploited by the landlords. With the permanent settlement, the power of the landlord rises, and ultimately the inequality increased. Whereas in the individual cultivation areas there was a little differentiation within the rural population. Thus in the non-landlord’s area, less inequality is seen. Relatively lower Gini-co-efficient is seen in the non-landlords area.¹⁹The old and historic land relations prohibited the full exploitation of the benefits of new technology.²⁰ Three type of land relation were present in the British India which was mahalwari, zamindari, and rayotwari. Among these zamindari was most oppressive.

For the understanding any agrarian system distribution of land is key variable. Large farmers has greater access to inputs and greater control over market only because they owned more land. Agrarian hierarchy was formed historically due to the unequal distribution of income and wealth.²¹ In such a condition land redistribution is considered the primary measure of land reform.²²

Various measure were taken for the redistribution of land holding as part of the land reform measure. There was four important component of land reform in India. These included tenancy reform, abolition of intermediaries, ceilings of land and land

¹⁶ Banerjee, A., & Iyer, L. (2005). History, institutions, and economic performance: The legacy of colonial land tenure systems in India. *American economic review*, 95(4), 1190-1213

¹⁷ Banerjee, A., & Iyer, L. (2005). Op.cit.

¹⁸Banerjee, A., Iyer, L., & Somanathan, R. (2005). History, social divisions, and public goods in rural India. *Journal of the European Economic Association*, 3(2-3), 639-647.

¹⁹ Banerjee, Abhijit, Lakshmi Iyer, and Rohini Somanathan. (2005), *ibid*.

²⁰ Bhalla, G. S. (1983). Peasant movement and agrarian change in India. *Social Scientist*, 11(8), p.39

²¹ Bandyopadhyay, R. (1993). Land system in India: A historical review. *Economic and Political Weekly*, A149-A155. p. A149

²² Pani, N. (1987). Indebtedness and the Theory of Agrarian Reform. *Social Scientist*, 51-67.

consolidations.²³ The main achievement of the land reform was the abolition of intermediaries. But the reform was not complete because this process suffers from some weaknesses and the loopholes. The lack of political will was the primary reason behind this. Joshi stated that in both countries (India and Pakistan) “the rural poor were neither articulate nor organised at the political level to exercise influence on land reform policy in their favour either at the stage of legislation or of implementation.”²⁴ The rural structure was with many layers like an onion. The Britishers through legalistic approach, tried to peel off one layer by their effort. Another layer peeled off through the abolition of the zamindari system in the post-independence era. “But the core remained unaffected”. The sharecroppers and labourers were still squeezed to the lowest margin of subsistence.²⁵

Various land and tenancy law were implemented in Uttar Pradesh too. Measures like U.P. Zamindari abolition and land reforms act, 1952 not only abolished the intermediaries between the cultivator and the state but also put an end to the multiplicity of tenure. But among the major objective of the land reform measure one of the reform objective ‘to break up the concentration of land ownership and make it more diffused’ shows dismal failure.²⁶

Though numerous land reform measure were taken like the abolition of intermediaries, provision of security of land tenure, consolidation of land holdings, the imposition of ceiling on land holdings but were never genuinely implemented.²⁷ Land ceiling policy was adopted in the Nagpur session in 1959 by the national level congress leaders. The ceiling act was passed with the ceiling limit of 40 acres, 60 acres and 80 acres based on the quality of land which was for prime, intermediate and poor land respectively. But there was disagreement between the party leadership between state and national leaders. Though the national leader supported the redistribution of land vigorously, the state Congress leaders were reluctant and inactive about the proper

²³ Ghatak, M., & Roy, S. (2007). Land reform and agricultural productivity in India: a review of the evidence. *Oxford Review of Economic Policy*, 23(2), 251-269

²⁴ Joshi, P. C. (1970). Land Reform in India and Pakistan. *Economic and Political Weekly*, Vol. 5, No. 52 (Dec. 26, 1970), pp. A145

²⁵ Bandyopadhyay, Rekha (1983). Land System in India: A Historical Review. *Economic and Political Weekly*, Vol. 28, No. 52 (Dec. 25, 1993), pp. A149-A155

²⁶ Shrimali, P.D., (2004). Agrarian structure, movements and Peasant organisation in India. Uttar Pradesh, volume 3, *Manak publication*, p. 147

²⁷ Shrimali, P.D., (1975). Backwardness of agriculture in Uttar Pradesh and the strategy of transforming it, marxist miscellany –a collection of essays. *Peoples publishing house*, New Delhi, p 47-53.

implementation of this act. So in the state of Uttar Pradesh where majority of the population relied on the agriculture, the much-awaited ceiling program failed to change the land tenurial system. In the Ganga- Jamuna plain of the Uttar Pradesh where the landlessness was greatest, only less than 0.4 % of cultivated land has been redistributed. There were also many loopholes and a long list of exemptions from appropriation in the laws as well as in the implementation and the big landholders managed to avoid the law provisions. Thought ceiling law had no solution to poverty and agricultural production but helped with some limited extent to narrow the socio-economic gaps between land landholders and poorest cultivators. It was also provisioned that the recipient of redistributed land will be organised into cooperative farming societies but not implemented.²⁸ After the abolition of Zamindari Act in Uttar Pradesh, the land ceiling limit had been fixed across the state.

This resulted in the skewed land distribution, and ownership pattern and the power continues to be concentrated in the hands of old feudal land owning families. So the number of landless and other agricultural labourers has grown not merely because of population growth but also as a consequence of a process of dispossession from land.²⁹ On the recommendation of Agrarian Reform Committee, the land ceiling limit had come into force in 1952 in Uttar Pradesh. The land ceiling limit in Uttar Pradesh was based on the availability of irrigation facilities. The 18 acres land ceiling limit was fixed in an irrigated land with two crops while 27 acres land ceiling limit was fixed in an irrigated land with one crop. In case of dry land regions, 45 acres ceiling limit was fixed in Uttar Pradesh.³⁰

On the other hand, Prosterman and Hanstad in his paper pointed out how land reform benefitted the rural poor since it has redistributed the land. The countries where land reform implemented having several benefits like- increased crop production, improved nutrition of poor households, sustained and inclusive growth etc. A cultivator

²⁸ Newell, Richard S. (1972). Ideology and Realities: Land Redistribution in Uttar Pradesh. *Pacific Affairs*, 45, no. 2, p. 220-239.

²⁹ Shrimali, P.D., (1975) Ibid.

³⁰ Roy, Ramendu and Hasib Ahmad (2015). State Agricultural Profile of Uttar Pradesh (2014-2015). *Agro-Economic Research*, Central University of Allahabad. p. 14

having long-term ownership would have more incentives for long as well as short-term investment for productivity enhancement.³¹

In some states like Jammu and Kashmir, West Bengal, Kerala etc. land reform implemented fairly. The scheduled caste and Adivasi population of West Bengal has a fair amount of land in relation to their population. This was happened due to the land reform measure where the majority of the ceiling surplus land was distributed to the dalit and Adivasi agricultural labourers.³² Left wing government played a vital role in the West Bengal and Kerala for the successful implementation. In the west Bengal 11.75% of tenants given ownership rights, on the other hand, in Kerala 22.88% tenants benefitted by the ownership rights.³³ Though land reform has overall negative impact on agricultural productivity due to land ceiling. However in the West Bengal, there were proper implementation of tenancy laws. Despite of these laws, it didn't affected agricultural productivity negatively in West Bengal.³⁴

According to the result of a survey conducted by Singh in Uttar Pradesh, severe problem of land fragmentation is seen in nearly one-third cases where number of plots owned per household were over ten. Though Uttar Pradesh has implemented the Consolidation of holding act, 1953 the problem of fragmentation, though considerably reduced, has not been fully eliminated.³⁵

1.3.2 Agrarian Question and Mode of Production

Mode of production has its implication not only on the agricultural production but also on the poverty and exploitation. This depends upon forces of production and social relations of production. There has been a debate in the Indian agriculture since decades for the existing mode of production. There were questions like whether Indian agriculture is experiencing capitalist, semi-feudalist, colonial or dual mode of production. Gupta in his study noted that in the state of UP the element of hired labour

³¹ Prosterman, R.L. and Tim Hanstad (2012). Land reform in the 21st century: new challenges and new responses", in T. Haque(eds.) , Land policies for inclusive growth, *Concept publishing company pvt. Limited*, New Delhi.

³² Bakshi, Aparajita(2008).op.cit. , p. 95-116.

³³ Ghatak, Maitreesh, and Sanchari Roy (2007). Op.cit.

³⁴ Ghatak, Maitreesh, and Sanchari Roy (2007), *ibid.* p. 253.

³⁵ Singh, Ajit Kuamr (2012). Land reform in Uttar Pradesh: a view from the filed. in T. Haque (eds.) , Land policies for inclusive growth, *Concept publishing company pvt. Limited*, New Delhi. p. 141

exceeded that of family labour on farm with 20 or more acres.³⁶ At that time Kotovsky conclusion was that the capitalist sector represented the leading tendency but yet not dominate.³⁷ In the Punjab rapid rate of capital formation emerged was evident from the substantial rise in the value of tractors, pumping-sets and tube wells, draft cattle, agricultural implements etc.³⁸ The characteristics of the genuine capitalist, Patnaik proposes, is not merely an appropriation of surplus value generated by wage labour nor the sale on the market of a high proportion of produce. The surplus value were accumulated and reinvested for the generation of more surplus value, even on the increasing scale.³⁹ Patnaik is a major proponent of the dualistic understanding of India's agrarian transition. She stated that dynamic agrarian capitalism is seen in the state of Punjab, Haryana and western Uttar Pradesh which is driven by the strong middle rich peasantry.⁴⁰ As opposed to it, the semi feudalist form of oppressive capitalism is experienced in most part of India. Herring argued that in south Asia the dominant rural classes are often so powerful that they have a strong linkage with the state where it is not possible to separate each other. So he argued that capitalist development in agriculture might leads to 'labour-repressive and extremely exploitative social organisations of production'.⁴¹ Patnaik stated that large force of rural wage labourers arose from the pauperisation and proletarianisation of the "poor majority of the peasantry" under the impact of imperialism.⁴² Lenin defines capitalism as a "highest stage of commodity production where labour power itself becomes a commodity."⁴³

Thorner coined the term 'the built-in depressor' to denote that complex of agrarian relation. In this complex agrarian relation, the peasantry made to pay for landlords and compelled to live on extracting rent. The landlord used to lend money on a very high interest rate and trading profit out of an impoverished peasantry.

³⁶ Thorner, Alice (1982). Semi-Feudalism or Capitalism? Contemporary Debate on Classes and Modes of Production in India. *Economic and Political Weekly*, Vol. 17, No. 49 (Dec. 4, 1982), p. 1962.

³⁷ Kotovsky, G (1964). Agrarian reform in India. *People's Publishing House*: New Delhi, 1964.

³⁸ Patnaik, Utsa (1986). The agrarian question and development of capitalism in India. *Economic and Political Weekly*, vol. 21, No 18, may 3, 1986 p. 781

³⁹ Thorner, Alice (1982), op.cit. P. 1964

⁴⁰ Patnaik, U. (1988). Op.cit.

⁴¹ Lerche, Jens (1998). Agricultural labourers, the state and agrarian transition in Uttar Pradesh. *Economic and Political Weekly*: A29-A35. p. 29

⁴² Thorner, Alice (1982), Op.cit. p. 1964

⁴³ Thorner, Alice (1982), Op.cit. p. 1965

Landlord were not concerned more about productivity-raising investment in agriculture and leads to the stagnation in agriculture.⁴⁴

Bhaduri (1973) based on the survey in the villages in the West Bengal proposed the semi-feudalism in the debate and concluded the “dominant character of existing production relation” can be best described as semi-feudal. Classical feudalism has some similar characteristics of this semi-feudal relations which is usually master-serf type, at the same time less similar to industrial capitalism.⁴⁵ There are four prominent feature of this type of agriculture “which is (a) sharecropping, (b) perpetual indebtedness of the small tenants, (c) concentration of two modes of exploitation, namely usury and landownership, in the hands of the same economic class and (d) lack of accessibility for the small tenant to the market.”⁴⁶

Lerche talks about the east-west differences in the general balance of power in the Uttar Pradesh between the agrarian classes. Due to these different agrarian development agrarian labourers are in very different position in the local class struggle.⁴⁷ Western Uttar Pradesh has developed more rapidly in terms of productive agriculture than rest of the state. The historical social fabric is the main reason this uneven development. Eastern Uttar Pradesh was historically dominated mainly with the landlords whereas middle and large peasant were more dominant in the western Uttar Pradesh. These were the result of the Britishers land tenure policy where western region were more focused regarding agrarian investment. In the western Uttar Pradesh, hard-working Jats have developed thriving capitalist agriculture while in the east productive rent appropriation were practised by the cultural and ideological domination of high caste landlords.⁴⁸

1.3.3 Caste and Land

Land is an important social and economic assets not only for the livelihood as well as for the social status of the rural population. Though India has adopted a land reform

⁴⁴ Thorner, Alice (1976). *The agrarian prospects in India*. South Asia Books. p. 16

⁴⁵ Bhaduri, Amit (1973). *A study in agricultural backwardness under semi-feudalism*. *The Economic Journal*, 83, no. 329: 120-137. p. 120-21

⁴⁶ Bhaduri, Amit (1973). *Op.cit.*

⁴⁷ Lerche, Jens(1998) . *Agricultural labourers, the state and agrarian transition in Uttar Pradesh*. *Economic and Political Weekly* (1998): A29-A35. P.29

⁴⁸ Lerche, Jens (1998). *Ibid* P.30

measure since its independence, the redistribution was not significant and limited to some states only as land is a state subject. “The legislative foundations of land law and policy reform in India (tenancy reform, land ceilings, land allocations) were designed to increase the poor's access to rural land. To date, the effectiveness of the legislation has been mixed and progress over the last few years has slowed”.⁴⁹ Land distribution in India was much skewed since independence, but its historical root cause was the different tenurial arrangement started by Britishers.

Distribution of ownership holding in India is extremely unequal. According to the NSSO round 2003, Gini-coefficient of ownership holding of land (other than homestead land) was 0.76.⁵⁰ Especially for the disadvantage section of India like scheduled castes and tribes, land continues to be the important source of livelihood in the rural India. The access to land of these disadvantages group is very low, especially for the scheduled caste population. Bakshi (2008) in his study found the evidence of discrimination in the rural areas. This discrimination resulted into alienation of land for the dalit and tribal households as well as less access to operational and ownership holdings. Higher proportion of landless household is seen among Dalit households than among tribals and non-Dalit/Tribals households. Tribal household has relatively better access to land in comparison to the dalits. Tribals possesses some small plots of land, though less fertile against dalits who are landless.⁵¹ Social hierarchy determines the access to land in India. Upper caste usually are the large landowners, the middle castes are the cultivators and the scheduled castes and tribes performs largely agricultural work on the other's land. Since land is an important socially valued asset, its skewed distribution not only helps in maintaining the hierarchical structure but also strengthen the basis of dominance of the privileged groups. It consequences into perpetuating inequality and deprived dalits and tribals in various socio-economic spheres.⁵²

“In sum, the caste composition of rural households shows that nearly one-tenth of the households belonged to STs, around two-fifths each to SCs and OBCs and a little

⁴⁹ Tim Hanstad et. al. (2008). Improving Land Access for India's Rural Poor. *Economic and Political Weekly*, Vol. 43, No. 10, pp. 55

⁵⁰ Rawal, Vikas (2008). Ownership Holdings of Land in Rural India: Putting the Record Straight. *Economic & Political Weekly*. Pp. 47

⁵¹ Bakshi, Aparajita (2008). Op.cit. pp. 95-116.

⁵² Mohanty, B. B. (2001). Land distribution among scheduled castes and tribes. *Economic and Political Weekly*, 3857-3868

more than one-fourth were from other castes. The respective shares of these groups in land were 11.10 per cent, 8.97 per cent, 43.64 per cent and 36.29 per cent”.⁵³ In the agrarian context, official policy plays an important role. The policy banned the transfer of tribal land to the non-tribal to check alienation of land belonging to the scheduled tribes. But not such any provision was made by any state to prohibiting alienation of land owned by the scheduled caste. Thus this leads to the alienation of landholding from the scheduled caste population.⁵⁴ The share of land belongs to the SC is low. Only 16.47% of the land is owned by the marginal households of SC and only 3.38 % in the large landholding. The inequality is also very high among the SC households followed by those of OBCs and ‘other caste’.⁵⁵ “The limited access to agricultural land and capital assets is both due to the historical legacy associated with restrictions imposed by the caste system and the ongoing discrimination in land market and capital market and other related economic spheres”.⁵⁶ Apart from inequality in ownership, in the state of Uttar Pradesh, the average value of land owned by others and others backward class is 2.5 times more than average value of land owned by the dalit households. However, the average value of crop land owned by ‘other households’ was 4.4 times more than that of the average value of dalit households.⁵⁷

There is also some evidence of declining average size of agricultural hand holding which also affects the access to the land resources. In the seventies of the 20th century, the average size of land holding is declined from 2.6 hectares to 2.2 hectares. This declining size of landholding was attributed to the growing population pressure on land and partly to shift in the acreage from larger holding to smaller holdings.⁵⁸

Lieten and Srivastava (1999) in his study in Uttar Pradesh found that at the household level, the distribution of land is markedly unequal in all the village. The top one-fifth of the households own more than half the agricultural land. The leading land owning caste in each of the panchayats are those who traditionally held superior

⁵³ Sharma, H.R. (2007). Land Distribution and Tenancy among Different Social Groups. *Economic and Political Weekly*, Vol. 42, No. 41, pp. 4183

⁵⁴ Chaddha, G K, Sucharita Sen and H R Sharma (2004). Land Resources, State of the Indian Farmer. Vol 2, *Academic Foundation*, New Delhi. p. 111.

⁵⁵ Sharma, H.R. (2007), *Op.cit.*

⁵⁶ Thorat, Sukhadeo(2002). Oppression and denial: dalit discrimination in the 1990s. *Economic and Political Weekly*, p.572-578.

⁵⁷ Mehrotra, Santosh and Partha saha (2014), *Op.cit.* P. 26

⁵⁸ Laxminarayan, H and Tyagi, (1976). Some aspects of size distribution of agricultural holdings. *Economic and Political Weekly*, p. 1638

propriety rights in each of the area: Jats in Muzaffarnagar, upper caste Hindus in Jaunpur, upper caste Hindus and Muslims in Raebareilly. It was seen that upper caste landowners usually employed lower caste labourers. The study also talks about intra caste differences in the ownership of landholdings in the sense that there are considerable number of poor households among the dominant caste and a select group of big landowners among the OBCs and SCs. Besides this, the land of proprietary class are of better quality as well as having good access to irrigation in relation to other lower caste. Even the land distributed to the scheduled caste population under the land reform was of poor quality. The writer points out that a higher proportion of scheduled caste are working as labourers compared to all other caste group and they also have the lowest proportion working as cultivators as their main occupation. But the authors also argued that the change brought by the land reform has loosen the hold of major propriety groups in land and politics of rural India.⁵⁹ In another research based on the NSSO data of all India debt and investment survey (2002-03), it was found that in the eastern region of Uttar Pradesh the more than half of the dalit population owned less than half a hectare of land. It shows that dalit possess only small size of landholdings. The incidence of landlessness in Uttar Pradesh across the social group is highest amongst the dalits households. On the other hand, in terms of regional variation it was extremely high in the western region.⁶⁰

If we see the importance of landholdings in the rural economy, various research validates their importance. The landholding size is intricately linked with the nutritional status of child in rural India. Any household having sufficient amount of land holding will have access to food which is the key factor for improving nutrition as well as social well beings. The households having large land has good nutritional level in their children and households of marginal and landless are lacking in the nutrition. Thus in the marginal and small households, significant amount of children are in the category of underweight and stunting.⁶¹ Access to land also played an important role because of its significance as an important means of production. The social distribution of land

⁵⁹ Lietan GK and R. Srivastava (1999). Unequal partners: power relations, devolution and development in Uttar Pradesh”, Volume 23 of Alternatives in Development, *SAGE Publications*.

⁶⁰ Mehrotra, Santosh and Partha saha (2014), Op.cit. P. 30.

⁶¹ Goli, Srinivas et. al.(2017). Linkages between Households’ Agricultural Landholding and Child Nutritional Status in Rural India. *ARI Working Paper Series*, paper no. 257. P. 4

also determines the economic position and power relation between different social groups in a village.⁶²

1.3.4 Tenancy Status

Tenancy is the natural phenomena ensues from the high skewed ownership pattern of landholding. There are also debate regarding the negative and positive effect of tenancy. There are one group of scholars who consider tenancy as a means of exploitation which is based on oral contracts without having any security of a lease. On the other hand, some scholars believe that tenancy provides access to land to those who don't own any land and in this terms it empowers them and help them to increase their bargaining power in the rural area.⁶³ The 1961 Census revealed that about one-quarter of the cultivated land in the country was under tenancy, open or concealed, it is very tough to make an accurate estimate of the incidence of tenancy.⁶⁴

In 2003, the proportion of households leasing-in land was nearly the same (11 to 12 per cent) among households belonging to different social groups with the notable exception of scheduled tribe households where it was relatively lower (7.5%). But the proportion of land leased in was highest among households of scheduled caste which is 14.5% compared to the 7% and 4% for the OBCs and STs respectively.⁶⁵ There is evidence pertaining to demand side of the lease market clearly brings out the dominance of lower category households in the lease market with the exception of Punjab and Haryana.⁶⁶

In agriculturally advanced region, the incidence of tenancy is higher in compared to backward regions. In the agriculturally developed states most of the households participate in the lease market irrespective of land ownership both as lessors and lessees.⁶⁷ The result shows that majority of the lessees, (more than 90 per cent) in all the four social groups was from the landless and marginal households.⁶⁸

⁶² Bakshi, Aparajita(2008).op.cit., p. 95-116.

⁶³ Fahimuddin (2012). Op.cit.

⁶⁴ Appu, P. S. (1975). Tenancy reform in India. *Economic and Political Weekly*, 1339-1375.

⁶⁵ Sharma, H. R. (2007). Land distribution and tenancy among different social groups. *Economic and Political Weekly*, 4183-4185.

⁶⁶ Chadha, G. K., Sen, S., & Sharma, H. R. (2004)., op.cit.

⁶⁷ Sharma, H. R. (2010). Magnitude, Structure and Determinants of Tenancy in Rural India-A State Level Analysis. *Indian Journal of Agricultural Economics*, 65(1), 80.

⁶⁸ H. R. Sharma (2010). *ibid.*

Insofar as the distribution of leased-in land among households of different size category was concerned, most of the leased-in land was accounted for by the marginal households owning less than one hectare in all the social groups.⁶⁹ Among crops, the proportion of leased-in land is very high in case of non-food grain crops compared to food crops.⁷⁰

In the agricultural developed state Punjab, Haryana and Western Uttar Pradesh, have brought out increasing incidence of self-cultivation, emergence of fixed rent tenancy, participation of medium and large households in the lease market as lessees.⁷¹ Technological transformation bound to have a profound impact on the tenancy structure in the Punjab.⁷² Over time contracts under the fixed rent tenancy had tended to become more important in comparison to share crop tenancy.⁷³ Recent studies also shows that small and marginal farmers have started leasing-out agricultural land consequent to increase in the cost of production, growing scarcity of water, falling returns and increasing uncertainty due to erratic weather conditions.⁷⁴ ‘There is also evidence of big farmers leasing-in land to increase their scale of operation due to mechanisation of agriculture. Since the mechanisation is only profitable when there will be economies of scale, so in this way the phenomena of reverse tenancy emerged where the large farmers usually lease-in land from the smaller farmers. This phenomenon is more common in the agriculture of Punjab.’⁷⁵ In the Uttar Pradesh, all the reported cases of tenancy were oral tenancy since leasing out is legally prohibited. About 70 % of farmers leasing out land reported that they had not made any investment on the leased out the land.⁷⁶

‘There are some conditions which lead higher percentage of share cropping in the tenanted area. One reason for a high percentage of tenanted area under share-

⁶⁹ H. R. Sharma (2007). Op.cit.

⁷⁰ Sharma, H. R.(2010) . Op.cit.

⁷¹ Sharma, H. R.(2010). Ibid.

⁷² Singh, Iqbal (1989). Reverse tenancy in Punjab agriculture: Impact of technological change. *Economic and Political Weekly*: A86-A92.

⁷³ Chadha, G. K., S. Sen, and H. R. Sharma(2004) . Op.cit.

⁷⁴ Sharma, H. R.(2010). Op.cit.

⁷⁵ Singh, Iqbal(1989). Op.cit. p. A86

⁷⁶ Singh, Ajit Kumar (2012), Op.cit., p. 160.

cropping is the predominance of the labour-intensive crops. The second is the large unemployment faced by the landless families.⁷⁷

Share tenancy with the “exploitative interlinkages in credit and labour markets act as a formidable barrier in the introduction of new agricultural technology”.⁷⁸ In fact, the impact of technological change on tenancy structure or the terms of tenancy will depend upon the precise nature of technology adopted, i.e., whether it is labour-absorbing or labour displacing; whether it increases or decreases uncertainty investment requirements of the 'new technology'; divisibility of the new inputs; profitability of 'new technology' and so on.⁷⁹

In the Uttar Pradesh, according to the Uttar Pradesh Zamindari Abolition Land Reforms Act, 1950 only certain categories of land owners like disables, widow, minors, defence personnel etc. is allowed to only leasing out agricultural land.⁸⁰ The law does not provide any protection against eviction as well as there is no mention of resumption of land for personal cultivation.⁸¹

Inequality in the land ownership in the Uttar Pradesh is corrected by the tenancy contracts for those households who either landless or own very minuscule of land.⁸² According to the survey conducted by Ajit Kumar Singh, in Uttar Pradesh, about 28% of farmers reported that they have leased out land while only 3% reported leasing in of land. Small and marginal farmers were more involved in the land leasing.⁸³ The recent report of Niti ayog chaired by T. Haque argued for legalising tenancy as the concealed tenancy is rampant.⁸⁴ In the interviewed conducted by Fahimuddin in the villages of Uttar Pradesh, it was expressed by the farmers that tenancy should be legalised. So

⁷⁷ Bardhan, Pranab (1976). Variations in Extent and Forms of Agricultural Tenancy-I: analysis of Indian data across regions and over time. *Economic and Political Weekly* (1976), 1505-1512.

⁷⁸ Bhaduri, A. (1973). Op. cit., 120-137.

⁷⁹ Singh, Iqbal. (1989). Op.cit.

⁸⁰ Choudhury, Sibabrata (2017). Land Rights Under Changing Tenancy Regulations: Governance Challenges and Prospects in Odisha, presented in '2017 world bank conference on land and poverty' *The world bank - Washington DC*, March 20-24, 2017

⁸¹ Report of the expert committee on land leasing, *NITI AAYOG Govt. of India New Delhi*. March 31, 2016, p.47

⁸² Mehrotra, Santosh and Partha saha (2014). Op.cit., P. 26

⁸³ Singh, Ajit Kuamr (2012). Op.cit. p. 153.

⁸⁴ Report of the expert committee on land leasing, *NITI AAYOG Govt. of India New Delhi*. March 31, 2016

reform in the tenancy law is the need of the hour since it promotes accessibility and inclusive growth.⁸⁵

Srivastava in his paper attempts to situate the nature of and change in tenancy contract in the context of agrarian transition in developing countries such as India. His study is based on the Marxian class formation as against the neo-classical notion. Lenin provides an understanding of tenancy relations in the context of transition to capitalism in Russia. Marshall showed that in the absence of supervision the tenant would only apply labour upto a point where returns to labour were above the wage rate, in order to maximize his income. This implied that “production would not be carried to a point where labour could be rewarded its marginal productivity. Hence sharecropping would be inefficient.”⁸⁶ However, various economist argues that with uncertainty in the labor market, sharecropping may be preferred alternative.⁸⁷

1.3.5 Indebtedness

There are two section of people in our rural society. One sections who are rich peasants or the big land owning class who usually took loans form formal credit institutions because they have access to institutional credit. These section of people took loan for the increasing productivity, more investment and for surplus production to sell in the market. On the other section of people ‘rural poor’ who are either landless labourers or poor peasant cultivators. These sections have no access to the institutional credit. They used to take loans from landlords, moneylenders, neighbours or relatives. These section usually took a loan due to their gap between income and households expenditure. In other words ‘the gap between income and household expenditure is filled by taking loans.’⁸⁸ Indebtedness leads to the distress situation in the rural areas and most of the time prove the major reason for the suicide. Indebtedness leads to suicide in case of growing cost of cultivation and declining return of their output.⁸⁹ Indebtedness is one

⁸⁵ Fahimuddin(2012), Op.cit. P. 394.

⁸⁶ Srivastava, Ravi (2008). Tenancy contract during transition: a study based on fieldwork in Uttar Pradesh. *The journal of peasant studies*, 16:3, p. 339-395.

⁸⁷ Srivastava, Ravi (2008). Op.cit.

⁸⁸ Tandon, P.K. (1988). A profile of rural indebtedness. *Social scientists*, vol. 16, four decade of economic development 2, pp.49-63.

⁸⁹ Suri, K.C (2006). “Political Economy of Agrarian Distress”, *Economic and Political Weekly*, April 2006. 41(16): 1523-1529

of the major cause of suicide in Punjab, but this is not the sole reason there are other factors which works combindly.⁹⁰

There is need for the role of financial inclusion by expanding the institutional credit market. According to the all India credit survey, 1954 informal non-institutional sources are the major sources for catering to the need of financially excluded households. This situation didn't change much yet. Many states like Bihar, Uttar Pradesh, Maharashtra, even Punjab which is considered agriculturally developed states, borrowing form institutional loans in these states is very low even today. Punjab has only 35% borrowing from institutional sources.⁹¹ Thus even in 1990's decline in the share of institutional credit shows that the role of local moneylenders, sahuikars, traders, relatives are not diminished. According to "All India debt and investment survey 1991-92", the proportion of household taken a loan from institutional sources has declined from 61.2% in 1981 to 56.6% of 1991. The share of professional moneylenders not only for outstanding debt but also in terms of number has increased during the same. The cooperatives sector as a source of institutional credit seen declining trend.⁹² Across India, moneylenders has contributed to 27 percent of credit in 2002, while its share was 18% in 1991. However, there was variation at the different parts of the country. The household having large land size were less dependent on the informal agencies. The proportion of non-institutional sources for debt is 47-57% for marginal farmers and 42% for small farmers. Large farmers were less likely to take debt, only 32% of total debt are taken by these farmers from the non-institutional sources.⁹³ Gerber in his article wrote about the role of indebtedness in the evolution of capitalism.⁹⁴

Debt relief for the weaker sections of rural society is one of the important components of the new economic programme to control the farmer suicide. Debt relief legislation has been enacted in most of the States, and several other steps have been

⁹⁰ Satish, P. (2006). Institutional credit, indebtedness and suicides in Punjab. *Economic and Political Weekly*, 2754-2761.

⁹¹ Kamath, Rajalaxmi et.al.(2010). Accessing Institutional Finance: A Demand Side Story for Rural India. *Economic and Political Weekly*, Vol. 45, No. 37 (September 11-17, 2010), pp. 56-62

⁹² Rao, KS Ramachandran and A.K. Tripathi (2001). Indebtedness of household: changing characteristics. *Economic and Political Weekly*, Vol. 36, p.1617-21

⁹³ Merriott, Dominic (2016). Factors associated with the farmer suicide crisis in India. *Journal of epidemiology and global health* 6, no. 4, 217-227. P.220

⁹⁴ Gerber, Julien-François (2014). The role of rural indebtedness in the evolution of capitalism. *Journal of Peasant Studies*, 41, no. 5, 729-747.

taken to strengthen the rural credit network.⁹⁵ Economic survey 2017-18, volume 2, points out the state having larger informal sector in lending in the agriculture operation are Uttar Pradesh, Andhra Pradesh, Rajasthan and Telangana. It is seen that a higher amount of informal lending is happening in the less developed states. Official farm loan waiving will still not be able to get rid of from a lot of debt.

1.4 Research Gap

Agriculture is the primary source of livelihood for the majority of rural India. Since Agrarian relation and mode of production determines the level of agricultural development, access to agricultural resources, alienation as well as the agrarian distress of the region, so the study of these aspects is very imperative. Uttar Pradesh has second highest number (74.8%) of agricultural households among its rural households in India after Rajasthan.⁹⁶ Thus the study of the agrarian relation of Uttar Pradesh is significant since the livelihood of nearly three-fourths of the households is dependent on the agricultural activities. Though extensive work is done in some states, Uttar Pradesh lacks extensive works in this area. There is a need to explore much in the regional pattern of agrarian relation with its correspondence with the access to rural resources of the weaker section in the post-reform period. It is imperative to analyse the effect of changing mode of production on inequality of agricultural resources. Apart from that, there is a recent debate going on 'legalising tenancy', since Uttar Pradesh has restricted law for tenancy through Uttar Pradesh Zamindari Abolition Act, 1952.⁹⁷ So, it is imperative to study some aspect of tenancy and its contribution to the access of land for different social groups of Uttar Pradesh.

Since, economic well-being is the deciding factor of the social well-being. So, ownership of assets most importantly the land determines the position of any households in the ladder of agrarian relation.

⁹⁵ Ahuja, K. (1976). Rural Indebtedness: A Note. *Indian Journal of Industrial Relations*, 12, no. 2, 227-235. P. 227

⁹⁶ Key Indicators of Situation of Agricultural Households in India, 70th round NSSO report, p.9

⁹⁷ Fahimuddin (2012). Status of tenancy in Uttar Pradesh: some facts from the field. *Journal of rural development*, vol. 31, no.4 p.393-418

1.5 Objective

Prime goal of this study is to analyse production relation and the land distribution across social class in different geographical regions of Uttar Pradesh. Following are the specific objectives:

- To study the changes in distribution of land in ownership and operational land holding over the period (2001-02 to 2012-13) across geographical regions of Uttar Pradesh.
- To examine the regional variation in the distribution land ownership and operational holdings among social groups.
- To study the pattern of tenancy (lease-in) across the social groups in different geographical regions.
- To analyse the pattern of indebtedness and output linkage of the market as well as its distribution across social groups in different region.

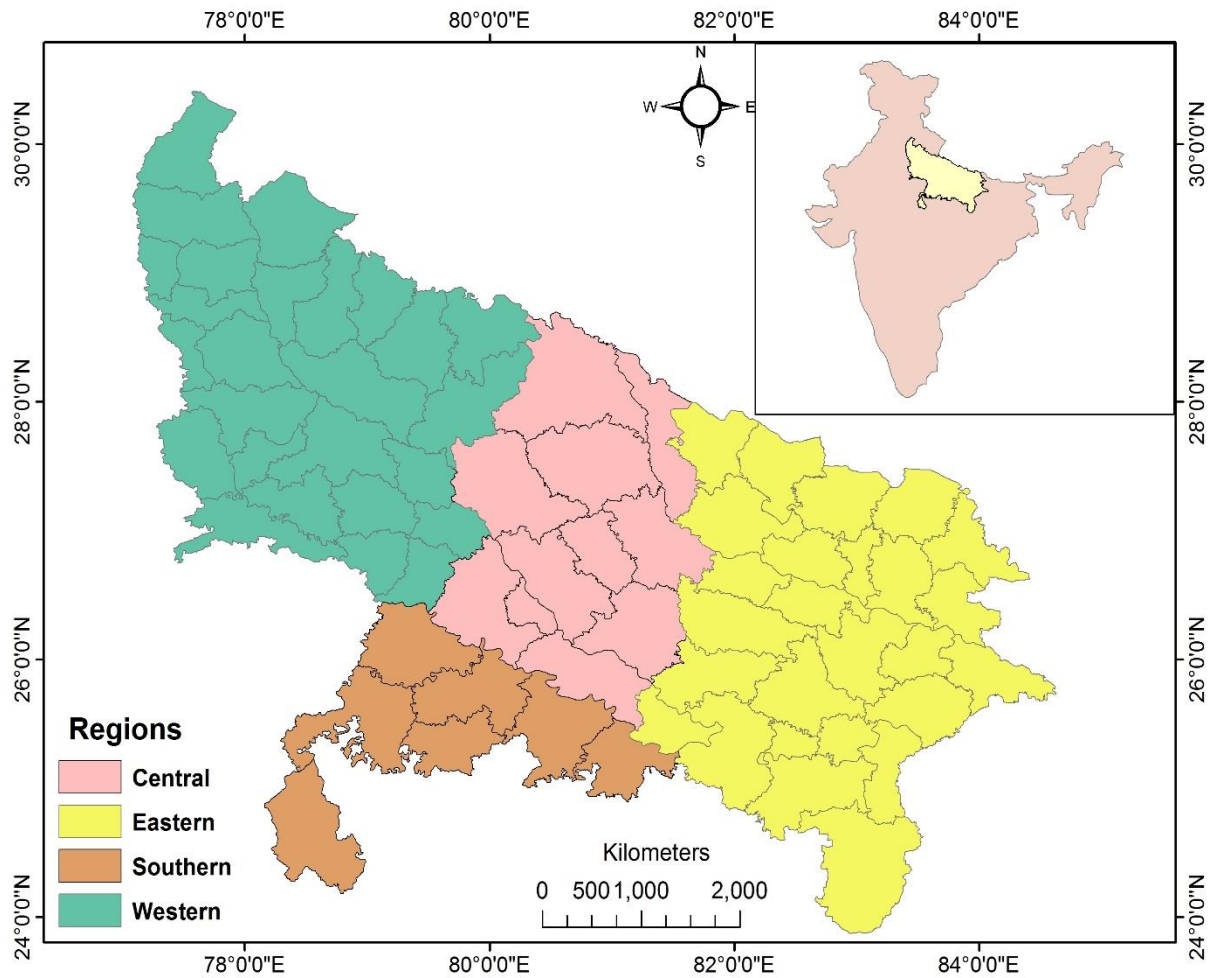
1.6 Study area

The study area for the whole analysis is the state of Uttar Pradesh. The state has been divided into the four region for analysis of the two time period. These regions are-

- A) Western Uttar Pradesh
 - B) Central Uttar Pradesh
 - C) Eastern Uttar Pradesh
 - D) Southern Uttar Pradesh or Bundelkhand region.
- **Western Uttar Pradesh** includes district of Saharanpur, Muzaffarnagar, Bijnor, Moradabad, Rampur, J. Phule Nagar, Meerut, Baghpat, Ghaziabad, G. Buddha Nagar, Bulandsahar, Aligarh, Hathras, Agra, Firozabad, Etah, Budaun, Bareilly, Pilibhit, Farrukhabad, Kannauj, Itawah, Auraiya.
 - **Central Uttar Pradesh** includes Sitapur, Hardoi, Unnao, Kanpur, Lucknow, Raebareilly, Kanpur Dehat, Fatehpur, Barabanki.
 - **Eastern Uttar Pradesh** includes Pratapgarh, Kaushambi, Allahabad, faizabad, Ambedkar Nagar, Sultanpur, Bahraich, Shrawasti, Balrampur, Gonda, siddharth nagar, S. kabir nagar, Basti, Maharajganj, Gorakhpur, Kushinagar, Deoria, Azamgarh, Mau, Ballia, Jaunpur, Ghazipur, Chandauli, Varanasi, Bhadohi, Mirzapur, Sonbhadra.

- **Southern Uttar Pradesh** includes Jalaun, Jhansi, Lalitpur, Mahoba, Hamirpur, Banda, Chitrakoot.

Figure 1. 1: Spatial Regionalization of Uttar Pradesh, India



Sources: Prepared by author

1.7 Data Source

To study various aspect of the agrarian structure of Uttar Pradesh secondary has been used. Following secondary data sources has been used for the study-

- National Sample Survey organisation data on “Household ownership and operational holding”. (59th round, 2002-03 and 70th round, 2012-13), schedule no.18.1
- National Sample Survey organisation data on “Key Indicators of Situation of Agricultural Households in India”. (70th round), Schedule no. 33

Visit-1 data has been used for the analysis of whole research work. Unit level data were extracted in Stata for the calculation and tabulation. Initially, the data of the different round were not comparable, however, it has been made comparable at that extent it was possible. The 70th round data were obtained only for rural household while the in the 59th round, rural and urban both household were survey. So to make comparable, the urban household were excluded for the 59th round. Northern Upper Ganga Plain and Southern Upper Ganga Plain merged for the 70th round to make western region. Apart from that, the districts were adjusted to make same for the different regions of both rounds.

1.8 Methodology and Approach to Study

Following categories has been analysed to fulfil the objectives-

To measure and analyse *Inequality in Land holding structure* measures such as Gini-co-efficient of inequality in land distribution, the percentage of small and marginal holdings etc. has been used.

For the study of Tenancy structure variables like percentage of leased-in holding, percentage of operated area under different terms of contracts like sharecropping, fixed rent etc. has been analysed.

To analyse the *regional pattern of the Capitalist/semi-feudal mode of production* variables like a place of selling of output, terms of the tenancy, formal/informal credit has been used.

The analysis is this research work based on the NSSO regions of Uttar Pradesh. This NSSO region is almost synonymous with the agro-climatic regions of the Uttar Pradesh. There are following NSSO region which will be used for analysis- a) Western Uttar Pradesh⁹⁸, b) Eastern Uttar Pradesh, d) Central Uttar Pradesh. e) Southern Uttar Pradesh.

Following quantitative techniques has been used-

- **Lorenz curve and Gini-Co-efficient**

⁹⁸ For the analysis of Western Uttar Pradesh, the northern upper Ganga plain and southern upper Ganga plain had been merged for the 70th round.

$$GC = \frac{1}{100 \times 100} \left| \sum_{i=1}^n X_i Y_i + 1 Y_i - (\sum_{i=1}^n X_i + 1 Y_i) \right|$$

Where GC indicates Gini Co-efficient.

Gini-coefficient (G) is calculated to numerically measure the inequality in land distribution. Where, X_i and Y_i are the cumulative percentage distribution of the two attributes (in that case proportion of households and proportion of area owned). The value of 'G' ranges between 0 and 1. The value of $G=0$ corresponds to perfect equality and $G=1$ corresponds to perfect inequality.

- **Inter-Class Concentration Ratio (ICCR)**

Inter -class concentration ratio (ICCR) examine whether the Ownership position of each group and the distribution as whole, has changed over time or not.

$$ICCR_i = \frac{\left(\frac{q_i}{Q}\right)}{\left(\frac{P_i}{P}\right)} \times 100$$

Where q_i and p_i are the number of area owned and Households by category wise Ownership holding category and Q and P are total area owned and total number of Households respectively. This ratio works out the ratio between a class share in the land owned and its share in the number of Households. A figure less than 100 suggests that the land owned by the class is less than its share of households. A figure higher than 100 shows the contrary (Chadha, 1986⁹⁹).

- **Index of access**

Index of access¹⁰⁰ is calculated to represents the access to land for different social groups.

Index of access= percentage of total land owned by any social group ÷ percentage of households in total household for the particular social group.

The value more than 1 shows that the households of particular social groups has more share in land in comparison to their share in the population, while value less than 1 shows that the households of particular social groups has less share in the own land in comparison to their share in the populations. Value 1 represents that households access to land is in the proportion to their share in the population.

⁹⁹ Chadha, G. K. (1986). *The State and rural economic transformation: the case of Punjab, 1950-85.* Sage Publication, New Delhi.

¹⁰⁰ Bakshi, A. (2008). *Op.cit.* p.104.

- **Cross-tabulation**

Outcomes has been analysed through Cross-tabulation by Stata12.0.

Apart from that, **binary logistics regression analysis** of land ownership in Uttar Pradesh is presented to analyse the determinants of the land ownership. In this model the dependent variable is the land ownership. Independent variables are household size, religion, social groups and household status.

Landownership= f (Household Size, Caste, Religion, Household Status)

1.9 Organisation of the Dissertation

The study is structured into five chapters. The first chapter includes discussion on the relevance, scope, methodology, database, objective and the review of past theoretical and empirical studies. The second chapter analyses the pattern of land ownership and operational holdings with its regional variation as well as temporal changes in the UP's NSSO region. Besides regional variation access to the land of social groups like SCs, STs, OBCs and Upper caste also analysed in whole Uttar Pradesh as well as with regional perspective. Gini-coefficient was used to measure the inequality during different time periods and within different regions during the last two time periods. Inter-caste and intra- caste inequality, as well as its regional variation, are measured through Gini-coefficient. Third chapter analyses the extent, type and terms of tenancy across the social groups. This chapter also includes the regional variation as well as study across social groups within Uttar Pradesh regarding lease-in of land. The leased-in pattern is shown across the size classes among the social groups for the different regions. Third chapter also discussed the lease contracts of the households. The fourth chapter analyses the indebtedness of agricultural households as well as access to the market for selling of production to see the agrarian situation and mode of production. All these variable also examined not only with regional variation but also with access to the different social groups. The fifth and last chapter includes the- Conclusion for all the issues associated with the study and comes with the highlights of important findings and some policy implications.

1.10 Limitation of Study

This dissertation is based on the secondary data that has been taken from the two consecutive round as well as two different schedules of the National Sample Survey

(NSS). Data from both the round as well as the different schedule is not properly comparable due to definitional differences, while all possible attempts have been made to make comparable these data. But in this dissertation, limited comparisons have been made to meet the need of the study. There is also critiques of NSS data. According to Rawal (2008) “The figure of landlessness is underestimated in the reports of NSS survey.”¹⁰¹ However, this dissertation provides the macro picture of the agrarian situation of the country especially regarding land, tenancy and output linkage of the market. Hence this work cannot be applied to making any generalization at micro-level. Apart from that, there is also sample problem as there as less sample when we go at the NSS region level of analysis, but to overcome this problem, weighted data has been used, but sometimes still less sample have an unlikely result. In the NSS survey itself, there are discrepancy as well as definitional issues in the various round of survey. The LHS¹⁰² survey is not comprehensive and does not include question on sale and purchase of land, the quantum of rent paid by the tenant etc.¹⁰³ Thus, the less comprehensiveness of the questionnaire restricted me to go to other important dimensions of this study.

¹⁰¹ Rawal, Vikas (2008). Op.cit.

¹⁰² LHS- Land holding Survey.

¹⁰³ Kumar, D. (2016). Discrepancies in data on landholdings in rural India: Aggregate and distributional implications. *Review of Agrarian Studies*, 6(1), 39-62.

CHAPTER-2

ACCESS TO LAND IN UTTAR PRADESH: DISTRIBUTION OF OWNERSHIP HOLDINGS AND OPERATIONAL HOLDINGS

2.1 Introduction

Land is a vital resource for the rural economy in India. Land not only having importance as a source of livelihood but also as an esteem in the rural society. But since colonial time with the colonial tenure system like 'zamindari'¹⁰⁴, 'ryotwari'¹⁰⁵ and 'mahalwari'¹⁰⁶ the land distribution became much skewed. Permanent zamindari settlements were made in Bengal, Bihar, Odisha, Banaras Division of the U.P., northern Carnatic. The area under Zamindari settlement was roughly 19 % of the total area British India. The Mahalwari tenure was introduced in major portions of the Uttar Pradesh, the central provinces, and Punjab and covered nearly 30 % of the area. The Ryotwari settlement was made in major portions of Bombay and Madras presidencies, in Assam and some other parts of the British India covering roughly 51% of the area. When India got independence, various measure were taken as a part of the land reform for the equal distribution of land. These measures include abolition of zamindari system, tenancy reform, ceiling and consolidation of landholdings. Though these reform were implemented but there was a lack of political will and rigour so in the present scenario land distribution is still skewed though less skewed than earlier. In the Uttar Pradesh Measures like U.P. Zamindari abolition and land reforms act, 1952 not only abolished the intermediaries between the cultivator and the state but also put an end to the multiplicity of tenure. But among the major objective of the land reform measure one

¹⁰⁴ Under the Zamindari system the zamindar was recognised as the owner who could mortgage, bequeath and sell the land. The state held the zamindar responsible for the payment of the land revenue and in default, the land could be confiscated. The state land revenue demand was fixed very high at 89% of the rental, leaving only 11 % to the zamindar. The landlord was free to set the revenue terms for the peasants and to dispossess any peasants who didn't pay the landlord.

¹⁰⁵ Under this system every registered holder of land is recognised as a proprietor of lands and is held responsible for direct payment of land revenue to the state. He has the right to sub-let his land holdings, to transfer, mortgage or sell it. He could not be evicted from his land holdings by the government so long as he pays the state demand of land revenue.⁹⁹⁹

¹⁰⁶ Under this system the units for revenue settlements is the village or the mahal. The village land jointly belongs to the village community which was also called the body of co-shares. The body of co-shares was jointly responsible for payment of land revenue.

of the reform objective was 'to break up the concentration of land ownership and make it more diffused' shows dismal failure.¹⁰⁷

The structure of land distribution not only decides the agrarian relation and the productivity of the agriculture but also the access to land for the various social groups. Land plays a very vital role not only for the livelihood of the rural poor but also for the power relations. Historically Indian society is very unequal one, with the dalit at the bottom of the ladder of caste hierarchy.¹⁰⁸

To increase the access to land for the poor and change the livelihood pattern of the agricultural households as well as to reduce poverty, it is crucial to change the agrarian structure of the region. In this chapter, the broad analysis has made of the distribution pattern of ownership as well as operational landholdings within the framework of agrarian relation. Since a long time, changes have been recorded in the landholding structure and it also changes with the regions. Hence attempt has been made to identify the main changes in the ownership and operational landholdings. The variation of the different social groups for the access to the landholding also discussed in this chapter. To analyse the regional pattern as well as its temporal trends the national sample survey data has been used.

2.2 Distribution of Land across size- class for the Northern States

The total land holding size owned by any household has been classified into six classes for better comparison as shown below-

Category of holding size-

Landless¹⁰⁹- less than or equal to 0.002 hectare

Marginal - more than 0.002 but less than or equal to 1.00 hectare

Small - more than 1.00 but less than or equal to 2.00 hectares

Semi-Medium- more than 2.00 but less than or equal to 4.00 hectares

Medium - more than 4.00 but less than or equal to 10.00 hectares

Large - more than 10.00 hectares.

¹⁰⁷ Shrimali, P.D. (2004). Agrarian structure, movements and Peasant organisation in India, Uttar Pradesh, volume 3, VV Giri National Labour Institute. p. 147.

¹⁰⁸ Anand, I. (2016). Dalit emancipation and the land question. *Economic and Political Weekly*, 51(47), 12-14.

¹⁰⁹ 'Less than or equal to 0.002 hectares' as classified under 'landless' category, also includes plots where area is not reported.

Table 2.1: Distributions of Land in Rural Northern States across landholding size (1971-72 to 2012-13)

State/ Year	PERCENTAGE OF HOUSEHOLD						PERCENTAGE OF AREA OWNED					
	Landless	Marginal	Small	Semi- medium	Medium	Large	Landless	Marginal	Small	Semi- medium	Medium	Large
Bihar¹¹⁰												
2013	5.33	89.02	3.87	1.46	0.31	0.01	0.02	55.06	21.28	15.24	7.92	0.48
2003		89.4	7.1	2.7	0.7	0.1		42.07	25.29	18.53	9.56	4.63
1992		80.56	11.1	6	2.14	0.2		28.58	23.84	24.45	18.68	4.44
1982		76.55	12.42	7.79	2.82	0.31		23.96	22.91	27.02	20.22	5.9
1971-72		71.71	15.11	9.15	3.66	0.37		18.2	23.43	28.07	23.63	6.67
Haryana												
2013	1.05	73.43	11.06	10.59	3.64	0.24	0	16.53	20.41	34.37	24.33	4.35
2003		77.2	9.8	7.7	4.9	0.4		13.15	15.83	24.62	34.14	12.26
1992		59.04	13.49	18.19	8.53	0.77		7.96	13.43	33.54	37.17	7.91
1982		56.84	15.49	13.31	12.48	1.88		5.04	13.44	21.58	44.9	15.05
1971-72		63.9	8.95	11.67	13	2.48		4.63	7.43	18.95	46.93	22.06
Himachal pradesh												
2013	14.23	76.06	7.49	1.75	0.42	0.05	0	54.47	25.76	11.55	5.93	2.29
2003		83.7	11.5	4.1	0.5	0.1		43.8	28.02	19.77	6.45	2.03
1992		79.17	11.55	6.43	2.58	0.25		34.99	20.35	21.57	18.5	4.6
1982		61.98	19.37	12.37	6.09	0.18		20.94	23.09	26.04	27.82	2.11
1971-72		61.19	20.92	12.18	5.2	0.51		21.22	23.43	25.92	23.12	6.31

¹¹⁰ Includes Jharkhand,

Jammu & kashmir												
2013	3.06	89.95	5.22	1.43	0.34	0	0	69.99	16.65	8.08	5.23	0.04
2003		77.5	15	5.6	1.7	0.2		36.26	25.49	19.54	11.12	7.58
1992		63.4	23.88	9.85	2.88	0		25.52	33.4	25.84	15.23	0
1982		67.15	20.5	10.78	2.05	0.03		28.13	30.29	28.7	12.56	0.32
1971-72		59.18	29.2	10	1.62	0		27.41	39.33	25.2	8.06	0
Odisha												
2013	5.39	85.48	6.83	1.97	0.33	0	0	56.15	24.83	14.23	4.71	0.08
2003		85.5	9.7	3.7	0.9	0.1		41.52	27.06	19.72	9.98	1.78
1992		75.15	14.42	7.34	2.4	0.12		26.37	27.16	25.99	18.08	2.4
1982		66.06	20.84	9.31	3.42	0.37		19.88	29.73	25.04	19.5	5.84
1971-72		68.94	18.08	9.04	3.52	0.42		20.45	26.95	25.88	20.72	6
Punjab												
2013	6.84	74.91	7.88	6.86	3.03	0.49	0.01	14.79	18.03	28.29	29.01	9.88
2003		76.3	9.5	7.9	5.1	1		9.16	15.63	25.3	34.5	15.31
1992		69.63	9.98	12.21	7.11	1.08		7.18	12.35	30.21	38.04	12.22
1982		66.87	10.08	11.61	9.94	1.47		5.59	10.76	22.87	42.23	18.56
1971-72		67.5	8.37	12.71	9.19	2.23		4.47	8.87	25.06	37.96	23.64
Rajasthan												
2013	3.89	57.45	18.81	10.51	7.63	1.7	0	14.03	17.64	19.73	30.84	17.75
2003		55.2	16.5	14	10.1	4.1		9.26	11.19	18.61	28.4	32.52
1992		44.5	18.53	17.71	13.89	5.37		5.42	10.04	18.9	31.55	34.1
1982		37.08	16.23	20.07	19.6	6.53		3.63	7.29	17.29	35.19	36.59
1971-72		26.96	19.87	20.49	22.63	10.05		2.03	6.78	13.15	32.89	45.15

Uttar Pradesh¹¹¹												
2013	3.32	83.52	8.36	3.81	0.96	0.03	0.01	42.61	24.07	20.37	12.16	0.78
2003		81	12.3	4.8	1.6	0.1		34.89	27.38	20.74	14.65	2.34
1992		74.4	14.73	7.92	2.76	0.21		27.42	24.88	25.82	18.14	3.73
1982		67.95	17.38	10.23	4.06	0.37		20.36	24.08	28.11	22.25	5.18
1971-72		65.58	18.6	10.84	4.49	0.49		17.49	24.65	27.94	23.85	6.07
West Bengal												
2013	6.55	90.53	2.44	0.43	0.05	0	0.01	73.32	18.9	6.43	1.35	0
2003		92.06	5.7	1.4	0.2	0		58.23	25.71	11.88	4.02	0
1992		85.88	9.48	3.94	0.71	0		41.29	28.11	22.98	7.62	0
1982		81.6	11.5	5.54	1.28	0.08		30.33	28.77	27.23	12.12	1.54
1971-72		77.62	12.64	7.3	2.39	0.05		27.28	25.69	27.72	18.61	0.7
INDIA												
2013	7.41	75.42	10	5.01	1.93	0.24	0.01	29.75	23.54	22.07	18.83	5.81
2003		79.6	10.8	6	3	0.6		23.05	20.38	21.98	23.08	11.55
1992		71.88	13.42	9.28	4.54	0.88		16.93	18.59	24.58	26.07	13.83
1982		66.64	14.7	10.78	6.45	1.42		12.22	16.49	23.58	29.83	18.07
1971-72		62.62	15.49	11.94	7.83	2.12		9.76	14.68	21.92	30.73	22.91

Source: NSS Report no-571, Household Ownership Holding in India, 70th round, 2013.

¹¹¹ Includes Uttarakhand.

Table 2.1 describes the land distribution of the northern states. Northern states mainly comprise Rajasthan, Haryana, Himachal Pradesh, Jammu and Kashmir (J&K), Punjab and Uttar Pradesh, Bihar, Orissa and West Bengal. There is variation in the pattern of land distribution in these states. The historical background of these states was also different since in colonial India some were under the zamindari system, while others were under the Mahalwari system. Land reform measures as well as their implementation in these states also differ due to the differences in the will of concerned government as well as peasant movements. For example, Operation Berga in the west Bengal was a peasant movement supported by the left front government which gave land owning rights to the sharecroppers.

According to the 2013 NSSO data, in the state of Bihar, landlessness is 5.33%. In 2013, 89% of households is marginal households, while it is 3.87%, 1.46%, 0.31% and 0.01% for the small, semi-medium, medium and large households respectively. Since 1971-72, the proportion of households under marginal size class is increasing as it was 71.7% in 1971-72 and became 89% in 2013. On the other hand, the share of small, semi-medium, medium and large households is declining over the period of time. The increasing pressure of population on land is the main reason for the declining share of larger category of ownership households. In land distribution in terms of percentage of area owned, the marginal category contributes 55.06% and its share is declining as we move bigger size class of landholdings. It is 21.3%, 15.5%, 7.9% and 0.48% for small, semi-medium, medium and large size category respectively. Marginal category comprises 89% of the households, but it possesses only 55% of area, while in the large category the contribution of households is only 0.01% where the area under this is 0.48%. Here for the large category households, the smaller number of households has the larger area.

In the state of Haryana, 73.5% of households belong to marginal category, while these households owned only 16.5% of area. The proportion of small and semi-medium households is almost 11% for each category. However, their share in area owned is almost more than half of the total area which is 55%. The proportion of households belongs to medium and large category is 3.64% and 0.24% respectively. But their share in area is very high which is 24.3% and 4.35% for medium and large class respectively.

The state of Himanchal Pradesh have 76% households under marginal category and this category own 54.4% of area. This state has second highest number of landless households (14.2%) in India after Andhra Pradesh. The percentage of households belongs to small, semi-medium, medium and large category is 7.49%, 1.75%, 0.42% and 0.05% respectively, though the area owned by this size class is 25.76%, 11.55%, 5.93% and 2.3% respectively.

In Jammu and Kashmir, 89.95% of households belong to the marginal category which owns 70% of the area. The contribution of small, semi-medium, medium, and large households is 5.22%, 1.43%, 0.34% and 0% respectively, while the area owned by these size group is 16.6%, 8.08%, 5.2% and 0.04% respectively Landlessness is also low in Jammu and Kashmir which is only 3.06%. The land reform measures were properly implemented in this state. Unique distinction is achieved by Jammu and Kashmir in terms of land reform measures where there was also remission of revenue on the small landholdings. Prime Minister of J&K Sheikh Abdullah, soon after coming to power, started the agrarian reform programme in the state in 1948, with the abolition of sinecure payments such as jagirs, muafis¹¹² and mukarraries.¹¹³

In Odisha, landlessness is 5.4%. The proportion of households under the marginal class category is 85.5% and only 56% area owned by them. The proportion of households under Upper caste category is very less which is 6.83%, 1.97%, 0.33% and 0% respectively for small, semi-medium, medium, and a large households. The area owned by these class group is 24.8%, 14.2%, 4.7%, 0.08% respectively.

In case of Punjab, 74.9% of holding is owned by the marginal households, and these marginal households owned only 14.8% area. Percentage of households belong to small, semi-medium, medium, and large size group is 7.88%, 6.86%, 3.03%, 0.49% respectively. The area owned by these size group is very high in proportion to the number of these households which is 18.03%, 28.3%, 29%, 9.88% respectively.

¹¹² Muafis were land revenue assignments, and there were two types of muafis: religious and non-religious. In religious muafis, one-third of the amount of the land revenue was received by the muafidar in cash and two-thirds in kind. In the case of non-religious muafis, the whole of the assigned land revenue was received either in cash or kind, or both.

¹¹³ Prasad, A. K. (2014). Sheikh Abdullah and Land Reforms in Jammu and Kashmir. *Economic and Political Weekly*, 130-37.

In the Rajasthan, 57.45% of marginal households owned only 14% area of land. Contrastingly, 1.7% of large households owned 17.7%. Thus, very high area of land is owned by large category. The percentage small, semi-medium, medium households is 18.8%, 10.5%, 7.63% respectively, while the area owned by these size group is 17.6%, 19.7%, 30.8% respectively.

In the Uttar Pradesh, 3.32 % of households is landless. The proportion of households under marginal class category is 83.5%, while the area owned by this class is 42%. The proportion of households under small, semi-medium, medium and large category is 8.36%, 3.8%, 0.96% and 0.03%, while the area owned by these households is 24%, 20.4%, 12.2%, and 0.78% respectively. The Gini-coefficient of inequality for Uttar Pradesh is 0.48.

The state of West Bengal shows relatively equal distribution of land. The proportion of households under marginal, small, semi-medium, medium and large is 90.5%, 2.4%, 0.43%, 0.05%, and 0% respectively. The area owned by these category of households is 73.3%, 19%, 6.4%, 1.35% and 0% respectively. Various measure including operation Barga was implemented in this state for the proper implementation of land reform measure. This made the sharecropper or bargadars of West Bengal, owner of the land.

Table 2. 2: Inequality in land ownership (1971-72 to 2012-13)

State	Gini -Coefficient				
	1971-72	1982	1992	2003	2013
Bihar	0.61	0.58	0.56	0.49	0.43
Haryana	0.72	0.67	0.63	0.72	0.64
Himachal Pradesh	0.5	0.5	0.48	0.42	0.45
Jammu & Kashmir	0.37	0.44	0.44	0.46	0.26
Odisha	0.56	0.54	0.54	0.46	0.39
Punjab	0.74	0.73	0.72	0.75	0.73
Rajasthan	0.58	0.59	0.62	0.64	0.61
Uttar Pradesh	0.57	0.55	0.52	0.5	0.48
West Bengal	0.55	0.54	0.46	0.35	0.29
All India	0.67	0.66	0.66	0.64	0.62

Source: Computed from NSS Report No. 571: Household Ownership and Operational Holdings in India.

Table 2.2 shows the Gini-coefficient (G) of proportion of households and proportion of area owned from 1971-72 to 2013 for the northern states. Gini-coefficient (G) is calculated to numerically measure the inequality in land distribution. As the value of G varies from 0 to 1, the value G=0 indicates perfect equality and value of G=1 indicates perfect inequality. Thus, the increasing value from 0 and towards 1 indicates the extent of inequality. In 2013, the Gini-coefficient of ownership holding of land in India was about 0.62. The value of Gini-coefficient was 0.67, 0.66, 0.66 and 0.64 in 1971-72, 1982, 1992 and 2003 respectively. Thus, the inequality in land ownership is slightly declined in 2013 from the previous decade. The Gini-coefficient of inequality varies considerably across different states. The value of Gini-coefficient is still high (between the periods of 1971 to 2013) in the states Haryana, Punjab, and Rajasthan where the Gini-coefficient is higher than 0.60. It means the inequality in land distribution remains high in these states. On the other hand, Bihar, Jammu & Kashmir, Kerala, Odisha and West Bengal show the significant level of decline in the inequality in land distribution. The decline in the inequality of land distribution in Kerala and Bengal attributed to the land reform policy in these states. Till 2005, 445503 hectares of agricultural land was redistributed in West Bengal to the Beneficiaries.¹¹⁴ In states like Bihar and West Bengal, the landholding size is small. Land fragmentation happened as a result of inheritance laws, population pressure and scarcity of land.¹¹⁵ The predominance of smaller landholding in state like West Bengal also leads to pauperisation of the farmers who own or operate marginal landholdings. The Gini-coefficient of inequality Jammu and Kashmir is 0.26 in 2013 which is lowest among all states. It happened due to proper implementation of redistribution of land during land reform. Highest inequality is seen in Punjab among northern states where the value of Gini- coefficient is 0.73 for 2012-13.

2.3 Distribution of Ownership Holdings in Uttar Pradesh

Distribution of ownership holdings shows the pattern of access to land. The households having much area of ownership holdings often experience high class as well as high esteem in the rural society. According to NSSO, “A plot of land was considered owned by the households if permanent heritable possession, with or without the right to transfer

¹¹⁴Bakshi, A. (2008). Op.cit.

¹¹⁵ Rahman, S., & Rahman, M. (2009). Impact of land fragmentation and resource ownership on productivity and efficiency: The case of rice producers in Bangladesh. *Land Use Policy*, 26(1), 95-103.

the title, was vested in a member or members of the households. Land held in owner-like possession under long-term lease or assignment was also considered as land owned.”¹¹⁶

Table 2.3: Distribution of ownership holding across Land Size-class in Uttar Pradesh (2002-03 & 2012-13)

Category of holdings	Percentage of households		Percentage of area owned	
	59 th round	70 th round	59 th round	70 th round
Landless ¹¹⁷	2.36	2.74	0.00	0.00
Marginal	79.97	84.86	35.72	43.17
Small	11.65	7.94	27.46	23.92
Semi-medium	4.38	3.5	20.08	19.58
Medium	1.56	0.95	14.69	12.64
Large	0.08	0.02	2.05	0.69

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Table 2.3 shows the land distribution across the size of land holdings. It seems imperative to study into the nature and extent of spatio-temporal variations in the size distribution of ownership holdings for observing changes in the agrarian structure. The table 2.3 gives the percentage distribution of households and area owned by size class of ownership holdings for the last two NSS rounds. There is an increase in the percentage of marginal households over the period of time. In the 2002-03, almost 80% of total households were marginal in the Uttar Pradesh. However, it has increased in the recent NSSO round of 70th conducted in the year of 2012-13. In the 2012-13 the percentage of marginal households increased up to 84.86%. There may be various reason for the marginalisation of households in the Uttar Pradesh. One important reason is the increasing population pressure on land. Apart from that during the land reform, there was significant rise in the small plots of landholding when the ceiling surplus land was distributed. Under this programme the land from big farmers distributed into several landless households by dividing the big plots into smaller size.¹¹⁸ “Demographic

¹¹⁶ NSS Report No. 571: Household Ownership and Operational Holdings in India, p 9.

¹¹⁷ Percentage of landless household calculated where land owned is less than 0.002 hectare including homestead land.

¹¹⁸ Vachhani, Ashish et. al. (2009). Ceiling land distribution in Uttar Pradesh: implications on the marginalized section. *Centre for Rural Studies, LBSNAA*, p.11.

pressures have added to this process creating marginalisation of landholding, thereby affecting economic viability across farm groups”¹¹⁹ The overcrowding of agriculture also resulted into fragmentation of land. One important reason for this is, the absence of employment opportunities, and another one, is the transfer of agricultural land to the non-agricultural uses which leads to the overcrowding of agriculture.¹²⁰ In the agrarian economy like India, the marginalisation of households has a significant impact on the productivity and the livelihood of the farmers. Marginal farmers, i.e., those cultivating land below one hectare, as the marginalised sections of the peasantry. These, along with landless labourers and rural artisans, account for the bulk of the disadvantaged sections in rural society.¹²¹ These farmers are facing economic hardship due to poor resources position and are entering in the vicious cycle of poverty. These conditions not only leads to the indebtedness of the marginal agricultural farmers but also agrarian distress. Increasing marginalisation of landholding may decrease the contribution of the agriculture sector to the national economy.

The percentage of households in the landless category is increasing over the period of time. It has increased from 2.36% in the 2002-03 to 2.74 % in the 2012-13. Though on the all India level landlessness has declined from the 10% to 7.41%, it has increased in the Uttar Pradesh. Although land ceiling laws¹²² have been enforced since the 1950s landlessness and rural poverty, continue to be major problems in India.¹²³ Selling of land by the marginal farmers due to unviability of land or unwillingness to take risk on the small land is a major cause of increasing number of landless households.¹²⁴ The percentage of households in the large category it has decreased in the recent decade. The proportion of large category was 0.08% in the 2002-03 and declined to 0.02% in the 2012-13. In the other category of landholdings like small, semi medium and medium decreasing trend is seen in terms of percentage of households. It

¹¹⁹ Deshpande, R. S. (2002). Suicide by farmers in Karnataka: agrarian distress and possible alleviatory steps. *Economic and Political Weekly*, p. 2601-2610.

¹²⁰ Joshi, P K (2015). Has Indian Agriculture Become Crowded and Risky? Status, Implications and the Way Forward. *Indian Journal of Agricultural Economics*, Vol 70, No 1, pp 1–41.

¹²¹ Vyas, Vijay Shanker(2007). Marginalized Sections of Indian Agriculture: The Forgotten Millions. *The Indian Journal of Labour Economics*, Vol. 50, No. 1.

¹²² UP Land Ceiling (Amendment) Act, 1972 reduced the ceiling limit to 7.3 hectares. The ceiling could go up to 13.3 hectares if the family had more than five members.

¹²³ Vachhani, Ashish et. al. (2009). *Op.cit.*, p.6

¹²⁴ Vachhani, Ashish et. al. (2009), *ibid*, p.7

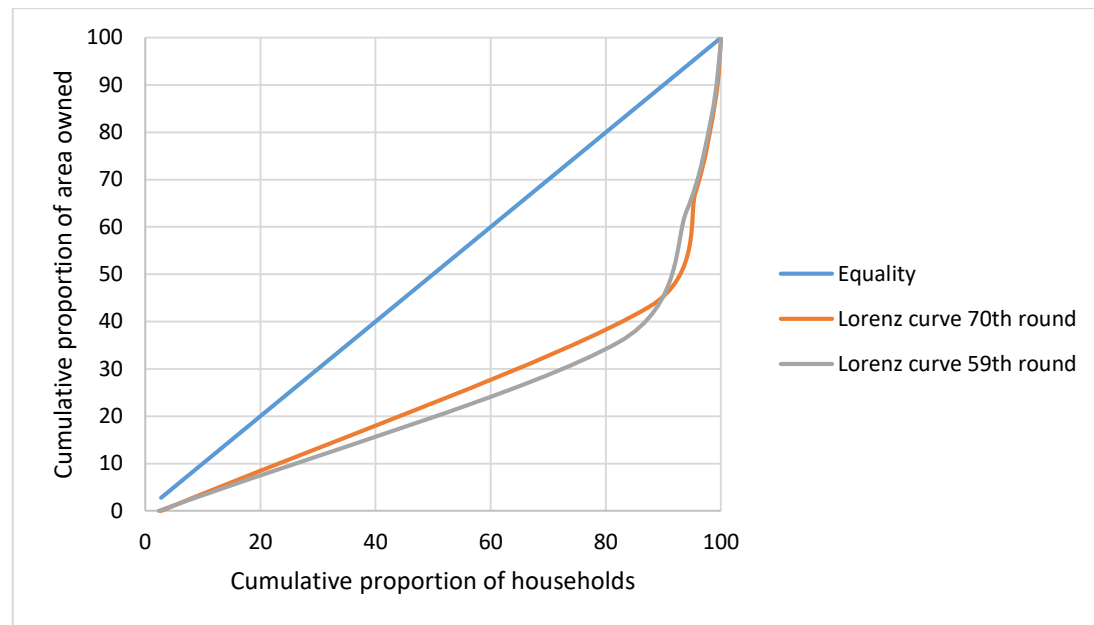
was decreased respectively from 11.65%, 4.38%, 1.56% to 7.98%, 3.5% and 0.95% from 2002-03 to 2012-13.

If we analyse the percentage of area owned by these category of holdings, landless and marginal class of households have comparatively less proportion in the total area owned. For the landless category though percentage of households slightly increased but the area owned by them remain almost zero which shows that very insignificant amount of land is owned by these landless households. The marginal class owned only 35.7% and 43.17% respectively for 2002-03 and 2012-13 which is also less in terms of their proportion to the households. In the small, semi medium and medium and large category of households the percentage of area owned is relatively more in relation to their proportion in the households which is 23.9%, 19.6%, 12.64% and 0.69 % respectively in the 2012-13. Since the marginalisation is increasing their share in the percentage area owned declined from 2002-03 to 2012-13. However, still, the medium and large category has a more area of land in comparison to their proportion of the households. It shows that there is surplus land for the redistribution so that the inequality in the land distribution decreased and the poor agricultural households have a significant amount of land so that their cultivation become profitable and escape them from continuing poverty. In the Uttar Pradesh 5,40,920.1 hectares excess land is available as a surplus which can be redistributed. The access land is calculated by applying a uniform ceiling limit of 8 hectares.¹²⁵

The inequality in the landholding in terms of percentage of population and percentage area owned by them across size class of holding is shown in figure 2.1. The inequality has decreased from 2002-03 to 2012-13 with the decrease of Gini-coefficient was from 0.50 to 0.47. This decreasing inequality is due to decrease in the number of large holdings as well as area owned by them. As the population pressure is increasing the area owned by the large households are fragmenting thus leading to slightly less inequality in the landownership. However, still, there is significant inequality in the distribution of landholding across size class.

¹²⁵ Anand, I. (2016). Op. Cit. p. 13-14

Figure 2. 1 : Lorenz Curve for Size Distribution of Ownership Holdings



Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

According to Sharma (1994) “despite varying degrees of decline in the proportion of area owned/operated by the households at the top of the landownership hierarchy, glaring inequalities continue to persist.”¹²⁶ This statement holds true even for the land distribution of the Uttar Pradesh where the proportion of households and area owned has declined from 2000-01 to 2011-12, but at the same time inequality in land distribution also persists. We can say that what was observed by Sharma in 1990s still has a relevance today in the context of land inequality in Uttar Pradesh.

2.4 Landlessness in Uttar Pradesh

Historically land is the cradle of all human activity. It is not only the fundamental means of production in the agrarian society without which no agricultural production can take place but also provide security and livelihood to the rural people. So, the study of landlessness is crucial.

¹²⁶ Sharma, H. R. (1994). Distribution of landholdings in rural India, 1953-54 to 1981-82: Implications for land reforms. *Economic and Political weekly*, p.A12-A25.

Table 2. 4: Landlessness across Region

REGION	Households that don't own any land including homestead		Households that don't own any land other than homestead	
	59 th Round	70 th Round	59 th Round	70 th Round
Western	3.11	5.14	38	42.16
Central	2.2	0.5	28.79	30.53
Eastern	1.96	2.05	23.37	26.85
Southern	0.91	3.09	25.88	19.38
U.P.	2.36	2.74	29.64	32.15

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1, (2002-03 & 2012-13).

On all India level, the landlessness is only 7.41 % in 2012-13. But this figure is based on households which don't own any land including homestead land. On the other hand, in terms of "households that don't own any land other than homestead" this figure is 43.8% in 2012-13.¹²⁷ "Homestead of a household was defined as the dwelling house of the household together with the courtyard, compound, garden, out-house, place of worship, family graveyard, guest house, shop, workshop and offices for running household enterprises, tanks, wells, latrines, drains and boundary walls annexed to the dwelling house."¹²⁸ All land coming under homestead was defined as house site (homestead land). It might constitute only a part of a plot and as such, gardens, orchards or plantations, etc. adjacent to the homestead and lying within the boundary walls were not considered as homestead land.

The discrepancy mentioned above is also seen in the state of Uttar Pradesh. In the 70th round, landlessness in terms of 'households that don't own any land including homestead' is only 2.74% which doesn't show the real figure about landlessness (table 2.4). Because in the rural area every poor family at least has some land to reside so these families do not come under landless. However, actual landless are those households that don't own any land other than homestead land because these households often don't fulfil their livelihood requirements from land by cultivation. These types of landless households have to either depend on lease-in or do labour work. Thus, in the category of landlessness where 'households that don't own any land other than homestead' is

¹²⁷ Anand, I. (2016). Op.cit. P. 12-14.

¹²⁸ NSS report (70/18.1): Key Indicators of Land and Livestock Holdings in India, p.B1

very high which is 32.15%, it means about one-third of households in rural areas are landless. This high landlessness shows the grim situation of one-third of rural households of Uttar Pradesh who have to either work on others land or do labour work in non-farm activities, sometimes members of such households compelled to migrate to cities which is distress driven. "Evidence on the burgeoning incidence of landlessness would be a clear indication of the ongoing process of proletarianisation"¹²⁹ of the rural households. Landlessness has increased from 29.64% to 32.15% from 2002-03 to 2012-13. This continuing landlessness among the rural households shows the dispossession from the land which has wide implication for the security of livelihood and poverty. Land alienation is historically important factor behind the process of proletarianisation and pauperisation. Apart from eviction of tenants by resumption, alienation of land from peasant to landlords, moneylenders to traders leads to the pauperisation of the peasantry.¹³⁰

Landlessness varies across the region. In the western Uttar Pradesh, the landlessness is 5.14% and 42.16% respectively for 'households that don't own any land including homestead' and 'households that don't own any land other than homestead'. Lowest landlessness (households that don't own any land including homestead) is seen in the southern Uttar Pradesh (19.4%) followed by eastern and central Uttar Pradesh which is 26.8% and 30.5 % respectively. In the western Uttar Pradesh, landlessness is high due to relatively more proportion of large, medium and semi-medium type of households. In the Western Uttar Pradesh landlessness has increased from 3.11% to 5.14% in terms of households that don't own any land including homestead land. The high as well as increasing landlessness in the western region is not the only cause for concern but also has policy implications. The western region which is considered agriculturally more developed region and experienced the green revolution shows the continuing landlessness. It means the growth of agriculture in this region is not distributive as the most of agricultural households compelled to sell their land. Literature also shows that the most of the agricultural farmers of this region compelled to do hired worker on the land of large farmers.

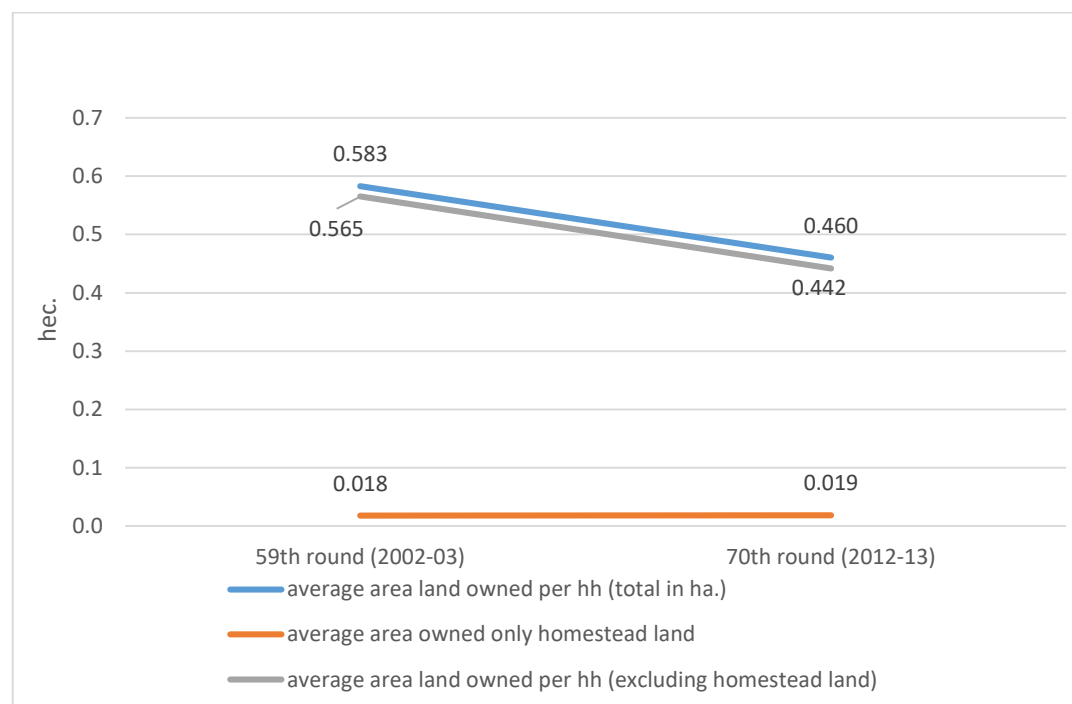
¹²⁹ Sharma, H. R. (1994). Op. cit. p. A12-A25.

¹³⁰ Krishnaji, N. (1992). *Pauperising agriculture*. Published for Sameeksha Trust [by] Oxford University Press. P. 233.

2.5 Area owned per household

In figure 2.2, we find that average area owned per household is decreasing over the period in the Uttar Pradesh, it was 0.58 hectare per household in the 59th round (2002-03) and declined up to 0.46 hectare in the 70th round (2012-13). The area in terms of homestead land has increased slightly from 0.018 hectare to 0.019 hectare. Homestead of a household is defined as the dwelling house of the household together with the courtyard, compound, garden, out-house, place of worship, family graveyard, guest house, shop, workshop and offices for running household enterprises, tanks, wells, latrines, drains and boundary walls annexed to the dwelling-house.¹³¹ It may be because some people have started making their home in the agricultural field. The average area owned per household excluding homestead land also declined from 0.57 hectare to 0.44 hectare from 2002-03 to 2012-13.

Figure 2. 2: Average Area Owned per Household (2002-03 & 2012-13)



Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1.

¹³¹ Some Aspects of Operational Land Holdings in India, 2002-03, NSS Report No. 492(59/18.1/3), p.8

Table 2. 5: Average area owned per household (2002-03 and 2012-13)

Uttar Pradesh :Region	59 th Round			70 th Round		
	Average area land owned per hh ¹³² (total in ha.)	Average area owned only homestead land	Average area land owned per hh (excluding homestead land)	Average area land owned per hh (total)	Average area owned only homestead land	Average area land owned per hh (excluding homestead land)
Western	0.56	0.014	0.55	0.48	0.019	0.46
Central	0.58	0.021	0.56	0.41	0.015	0.39
Eastern	0.51	0.020	0.49	0.36	0.020	0.34
Southern	1.34	0.010	1.33	1.28	0.024	1.26

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1.

Regional variation is seen for the average area owned per household. Southern Uttar Pradesh has the highest average area owned per household which is 1.34 hectare which is followed by central Uttar Pradesh (0.58 hectare) and western U.P. (0.56 hectare) in 2002-03. Least average area owned per household is seen in the eastern Uttar Pradesh where it is only 0.51 hectare in 2002-03. The less average area owned per household in the eastern Uttar Pradesh proves that this region has high marginalisation of landholdings. In the distribution of homestead land, the average area is highest in the central and western Uttar Pradesh where average homestead land is 0.021 and 0.014 respectively in 2002-03 which is followed by eastern and southern Uttar Pradesh. In the southern Uttar Pradesh, though the average area owned per household is high but average area owned by homestead land is less. This shows the unproductivity of the agriculture in this part of the Bundelkhand region. Due to the poor condition of agriculture households they may not afford to make houses on the large areas. In the 70th round (2012-13) declining trend is seen in the all-region of the Uttar Pradesh in terms of average area owned per household. In 2012-13 highest average area owned per household was highest in the southern Uttar Pradesh (1.28 hec.) followed by western, central and eastern Uttar Pradesh. “Average area owned only homestead” land has declined for all-region except western Uttar Pradesh.

¹³² hh denotes household.

2.6 Inter-class concentration ratio in ownership holdings

Inter -class concentration ratio (ICCR) examine whether the Ownership position of each group and the distribution as whole, has changed over time or not. This ratio works out the ratio between a class share in the land owned and its share in the number of Households. A figure less than 100 suggests that the land owned by the class is less than its share under conditions of equal distribution of land. A figure greater than 100 shows the contrary.¹³³

Table 2.6 shows that for the landless marginal households ICCR is less than 100 in both rounds which means that land owned by marginal households and landless households is less than their household's shares. However, ICCR increases for all sizes classes except for landless between 2003 and 2013.

Table 2.6: Inter- class concentration Ratio of landholdings in Uttar Pradesh (2003 to 2013)

Category of household ownership holdings	Inter- class concentration ratio	
	59 th Round	70 th Round
Landless	0.03	0.02
Marginal	44.66	50.87
Small	235.69	301.24
Semi-medium	458.54	559.56
Medium	941.71	1330.70
Large	2559.72	3444.83

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

ICCR is highest for large Households which indicate that they have much more share of land owned as compare to their Households Ownership holdings. Land area owned by small, Semi-medium and medium Households are also high as compare to their households ownership shares. It shows that though the percentage of households and area owned has declined from 2002-03 to 2012-13 for the large and medium-size category, but their share in the area is still high (even increasing) in comparison to their share in households.

¹³³ Chadha, G. K. (1986). Op.cit.

2.7 Distribution of Landholdings across Region

Table 2.7 presents the regional variation in the size category of land holdings for both 59th and 70th round. In the western region, highest landlessness is observed. In this region, landlessness has increased from 3.11 % of households to 5.14% of households. In the marginal category, the percentage of marginal households also increased from 79.9 % to 81%. In this category, the area owned by this group is also increased from 33.8% to 37.9% from 2002-03 to 2012-13. In the small category, the percentage of households is declined from 10.98% to 8.26%. The households of the small category may have shifted from small category to marginal category of households from 2002-03 to 2012-13. The area owned by this group has also declined from 27.8% to 24.9%. In the western region small, medium and large category of households declining.

Table 2. 7: Distributions of the Households and land owned across the size of landholdings (2002-03 to 2012-13)

Region	Year	Landless		Marginal		Small		Semi-medium		Medium		Large	
		HH	AOW	HH	AOW	HH	AO	HH	AOW	HH	AOW	HH	AOW
							W						
Western	2002-03	3.11	0.0003	79.89	33.80	10.98	27.81	4.47	21.00	1.45	14.54	0.10	2.85
	2012-13	5.14	0.0015	81.01	37.92	8.26	24.94	4.66	24.98	0.89	11.51	0.02	0.64
Central	2002-03	2.20	0.0011	78.98	38.38	13.63	30.91	3.91	18.70	1.27	11.77	0.01	0.24
	2012-13	0.50	0.0000	89.05	55.61	6.96	22.84	2.88	16.21	0.61	5.34	0	0.00
Eastern	2002-03	1.96	0.0014	83.62	43.53	9.82	25.95	3.65	19.27	0.89	9.44	0.06	1.81
	2012-13	2.05	0.0004	89.48	55.18	5.89	22.75	2.01	14.21	0.56	7.58	0.01	0.28
Southern	2002-03	0.91	0.0001	54.34	12.56	24.03	25.64	11.5	22.17	8.93	36.29	0.29	3.33
	2012-13	3.09	0.0000	52.67	14.90	27.27	26.88	11.04	23.19	5.7	32.72	0.22	2.31

Note- HH- household, AOW- area owned

Source: Calculated from unit level data- NSS 59th round and 70th round, Schedule 18.1

In the central region, the number of landless households has declined 2.2% to 0.5% from 2002-03 to 2012-13. In this region, the proportion of marginal category of households has increased, while the proportion of small, semi-medium, medium and large declined. In the eastern Uttar Pradesh, the proportion of landless households has slightly increased from 1.96 to 2.05%. However, the proportion of marginal holding has increased from 83.6% to 89.5% which is also highest among all four regions of Uttar Pradesh. The significant marginalisation of households in the eastern Uttar Pradesh is due to the increasing population pressure on land. Contrastingly, in other category it has declined.

Significant decline in the proportionate area owned by large category is seen in the western and eastern Uttar Pradesh which has fallen from 2.85 to 0.64% and 1.81 to 0.28 % respectively. In the western Uttar Pradesh proportion of area owned as well as households have increased for the semi-medium category of households, this was increased from 21 to 25 % and 4.47 to 4.66% respectively. It means the transfer in the ownership holding took place in the almost same class and to increase the scale of operation. This transfer is against the common perception that large landowner used to sell their land on high price in case of out-migration to marginal or other petty farmers. However, in the case of eastern Uttar Pradesh, since the area in the large category of households has declined, it contributed to increase in the area of households of the marginal category. One possible explanation of this fact may be that absentee landlord may have sold their land to landless or petty landholders in case of prosperity driven out migration either in urban areas of the same city or another city.

In the southern Uttar Pradesh or Bundelkhand¹³⁴ region, there is lack of marginalisation of land holdings due to low population density as well as low productivity. The agriculture in the Bundelkhand is problematic due to low rainfall, hot climate, ravine land and low population.¹³⁵ Low quality of irrigation regarding sustainability and the availability of water resources, long term drying up of traditions of maintaining ponds, reduction in the ground water level and nondiscretionary use of water have accentuated the problem of low agricultural productivity.¹³⁶

In 2012-13, only 52.6% of households are in the marginal category. It has decreased from 54.3 % to 52.6% from 2002-03 to 2012-13. This decrease in the marginal households show that agriculture in unprofitable in this region due to the prevalence of drought and lack of proper irrigation facilities. Most of the households may have migrated to other region or involved in the non-farm activities, labour etc. In the southern Uttar Pradesh, the proportion of area under large category has declined from 3.33 to 2.31 % from 2002-03 to 2012-13. However, this decline has contributed

¹³⁴ Bundelkhand administratively divided between Uttar Pradesh and Madhya Pradesh. The seven districts of Uttar Pradesh (Mahoba, Jalaun, Hamirpur, Lalitpur, Chitrakut Jhansi, and Banda) and the six districts of mp (Chhatarpur, Datia, Tikamgarh, Panna, Damoh, and Sagar) spread over an area of 70,000 sq km form the Bundelkhand region.

¹³⁵ Singh et. al. (2010). Socio-Economic Outlook of The Bundelkhand: Problems and Prospects. *The Indian Journal of Political Science*, p. 947-967.

¹³⁶ Singh et.al., *ibid.*

to the increase in the area under marginal category despite declining proportion of households in the marginal category. The proportionate households and area under this region in large category is high in comparison to other regions due to relative unproductivity of land and lack of proper irrigation facilities as well as due to low density of population.

2.8 Distribution of Landholdings across social groups

It is imperative to analyse the distribution of landholding across the social groups. Higher and dominant caste being in the up of the ladder had privileged to access to sufficient amount of land. On the other hand, the lower caste who were lower rung in the society had discriminated and had less access to land in the rural area. This differential access to land to the various caste and social groups affects their livelihood pattern and poverty as well as their power relation. Though the land reform implemented still, the dalits and tribals are in disadvantaged position regarding access to ownership landholdings.

Table 2. 8: Distribution of land across social groups (2002-03 to 2012-13)

Social groups	59 th Round		70 th Round	
	Household (%)	Area owned (%)	Household (%)	Area owned (%)
ST	0.72	0.44	0.68	0.53
SC¹³⁷	27.14	13.43	24.65	10.83
OBC	52.97	55.53	56.76	55.18
Upper Caste¹³⁸	19.18	30.61	17.90	33.47

Source: Calculated from unit level data- NSS 59th round and 70th round, Schedule 18.1

Table 2.8 presents distribution of the households and land owned across social groups in two time period from 2002-03 to 2012-13. In the category of ST and Upper caste, the households percentage has declined from 0.72 to 0.44 % and 19.18 to 17.9%, but the area owned by them has increased from 0.44 to 0.53 for ST households and 30.6 to 33.47% for Upper caste. In this case, Upper castes had the highest increase in the area owned in the Uttar Pradesh in this two period. In case of SC both the households percentage and the area owned has declined. In case of OBC, the households percentage

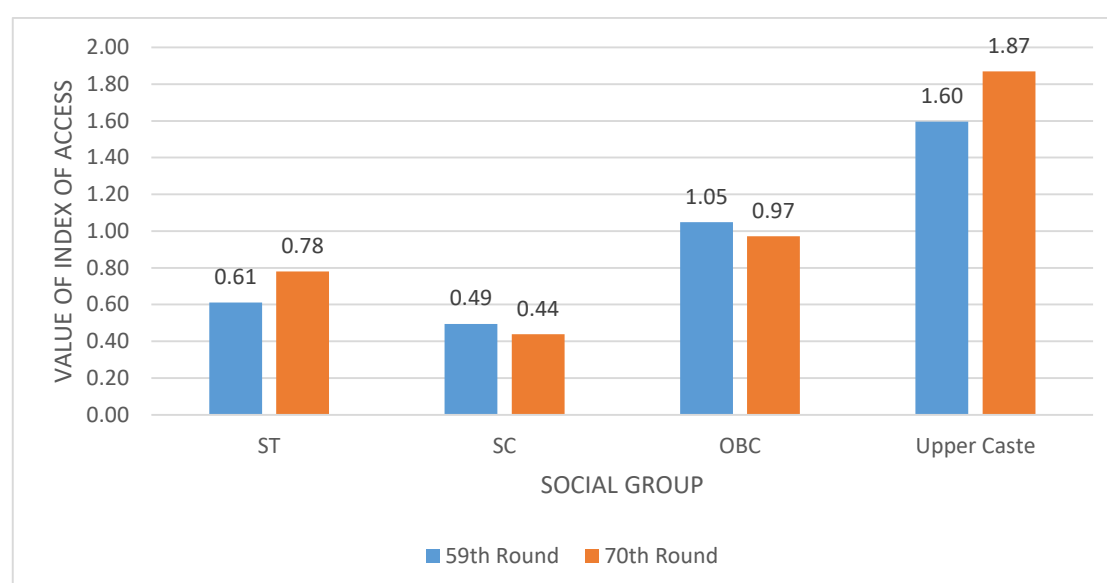
¹³⁷ For the scheduled caste (SC) in our analysis most of the time 'dalits' also used.

¹³⁸ 'Upper caste' is used for those who comes under the category of 'Others' in the national sample survey.

has increased but, area owned by them has declined slightly. Thus, upper caste has dominating position regarding landownership and this dominating position is increasing over the period of time at the cost of access to land of dalits.

Figure 2.3 shows the value of index of access to land. The value more than 1 shows that the households has more share in land in comparison to their share in the population, while value less than 1 shows that the household has less share in the own land in comparison to their share in the populations. Value 1 represents that households access to land is in the proportion to their share in the population.

Figure 2. 3: Index of access to land among social groups in Uttar Pradesh



Source: Calculated from unit level data- NSS 59th round and 70th round, Schedule 18.1

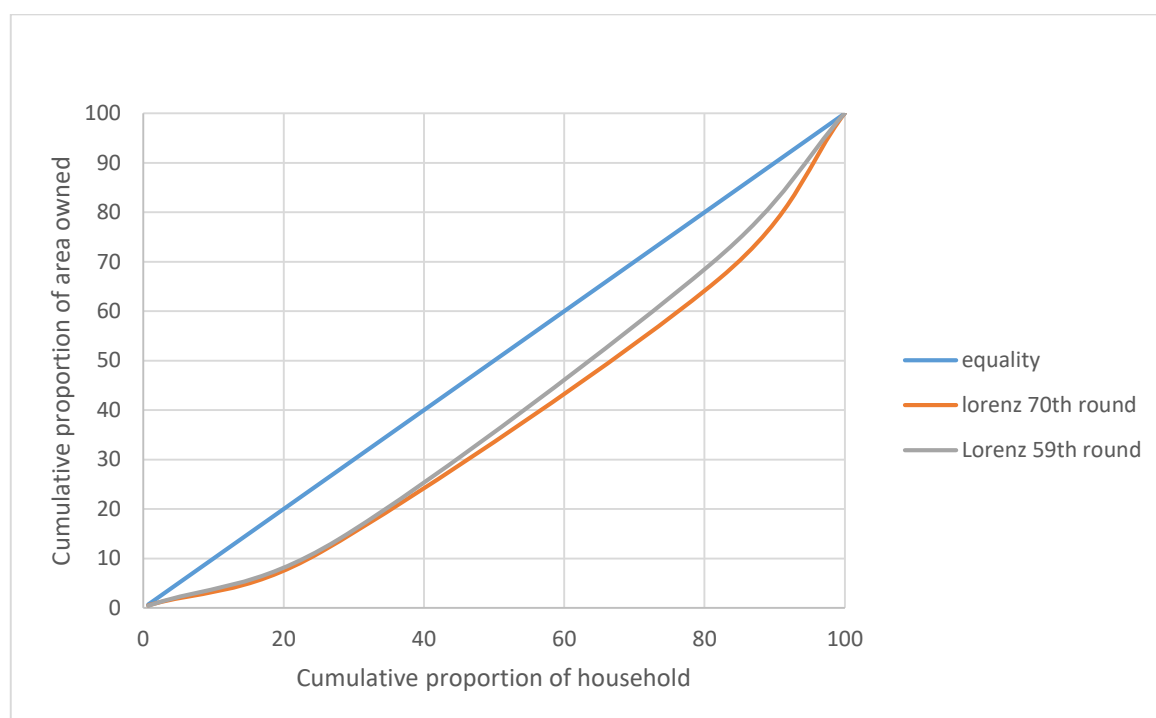
In 2012-13, the index to access for land for the upper caste is 1.87, while for the dalits it is 0.44. This shows the inequality among social groups for the access to land very clearly. Index for access is highest for the upper caste (1.87) followed by the OBCs (0.97), STs (0.78). It is lowest for the dalit households. The value of access to index has increased for the Upper caste and STs. This shows the rising concentration of land among the upper caste and tribals households

Table 2. 9: Inequality in ownership holding among social groups

Round	Gini-Coefficient
59 th (2002-03)	0.19
70 th (2012-13)	0.23

Source: Calculated from unit level data- NSS 59th round and 70th round, Schedule 18.1

Figure 2. 4: Lorenz Curve for Inequality of Inter-Social Group (2002-03 & 2012-13)



Source: Calculated from unit level data- NSS 59th round and 70th round, Schedule 18.1

Figure 2.4 and Table 2.9 shows the inequality between social groups which suggests that inequality regarding land ownership is increasing over the period. The Gini-coefficient has also increased from 0.19 to 0.23 from 2002-03 to 2012-13. It shows the rising concentration of land in the hands of upper caste since most of the time the marginal households compelled to sell their land to the upper caste for the repayment of debt. In most of the cases, it is also found that the lower caste who own marginal holdings usually found their holding less profitable due to smaller size and used to sell their land to the upper caste when decides to out-migrate or engage to distress driven non-farm cultivation. This shows the deplorable condition of lower caste in the ownership of land as well as their livelihood sources.

2.9 Regional analysis of distribution of Landholdings across social groups

In the western Uttar Pradesh, 'Upper caste' category of households having almost similar proportion of households in both round which is 20.03% and 20% respectively for 59th round and 70th round (Table 2.10). However, area owned by them has declined slightly from 36.18 to 35.8%. Worst situation is seen for dalit in the western region

where the proportion of dalit households as well as the proportion of area owned has declined significantly from 2002-03 to 2012-13. In 2002-03, 24.14% of households belong to the dalit households, but its proportion became 18.27% in 2012-13, while the area owned has become almost half which was declined from 11.03% to 5.88% from 2002-03 to 2012-13. In this region, the proportion of other backward class has increased significantly from 55.6% to 61.5% which has almost increased at the cost of declining proportion of dalit households, while the proportion of area owned for the OBCs households has increased from 55.5% to 61.5% from 2002-03 to 2012-13.

Table 2. 10: Distribution of land among NSS-Region of Uttar Pradesh across Social groups (2002-03 & 2012-13)

UP: Region	Year	ST		SC		OBC		Upper Caste	
		HH	AOW	HH	AOW	HH	AOW	HH	AOW
Western	2002-03	0.25	0.13	24.14	11.03	55.58	56.79	20.03	36.18
	2012-13	0.24	0.05	18.27	5.58	61.51	58.2	20	35.8
Central	2002-03	0.18	0.32	33.67	20.81	48.4	54.74	17.75	24.13
	2012-13	1.29	0	30.77	24.35	51.6	51.17	16.35	24.48
Eastern	2002-03	1.26	0.9	26.63	11.52	53	52.92	19.11	34.67
	2012-13	0.77	0.35	28.38	11.61	53.71	52.75	17.14	35.3
Southern	2002-03	1.48	0.11	27.98	14.61	51.4	61.28	19.14	24
	2012-13	0.44	0.49	19.42	8.73	61.58	55.18	18.56	34.34

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

In the central, eastern and southern Uttar Pradesh the proportion of households of others has declined from 2002-03 to 2012-13, but the area owned by them has increased over the period. On the other hand, the highest increase in area in Upper castes category is seen in the southern Uttar Pradesh. In the southern Uttar Pradesh the area owned for the 'Upper castes' category has increased from 24% to 34.3% from 2002-03 to 2012-13 as against to their declining proportion of households from 19.1% to 18.6%. However, in this region the proportion of dalits households has declined significantly from 28% to 19.4% and the area owned by them has declined from 14.6% to 8.7% from 2002-03 to 2012-13. The proportion of dalit may be declined due to unproductive nature

of land, and the dalit usually don't have much capital to invest in fertilizer, irrigation etc. for profitable agriculture the most possibility is that they have either migrated or shifted to distress driven non-farm agriculture by selling their land to the upper caste households.

In the central Uttar Pradesh, for dalits, the percentage of households has decreased, but the percentage of area owned has increased.

In the eastern Uttar Pradesh, the proportion of dalit households as well as area operated by them has increased from 2002-03 to 2012-13. The proportion of households has increased from 26.6% to 28.8%, while the proportion of area owned has increased slightly from 11.5 to 11.6%.

Table 2. 11: Index of access to land among social groups for different regions of Uttar Pradesh (2002-03 & 2012-13)

Region	Year	ST	SC	OBC	Upper Caste
Western	2002-03	0.52	0.46	1.02	1.81
	2012-13	0.21	0.31	0.95	1.79
Central	2002-03	1.78	0.62	1.13	1.36
	2012-13	0.00	0.79	0.99	1.50
Eastern	2002-03	0.71	0.43	1.00	1.81
	2012-13	0.45	0.41	0.98	2.06
Southern	2002-03	0.07	0.52	1.19	1.25
	2012-13	1.11	0.45	0.90	1.85

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Table 2.11 represents index of access to land among social groups for different regions of Uttar Pradesh. Across all regions of Uttar Pradesh, central region has the highest index of access for the dalit household in 2012-13. On the other hand, lowest access of land to the dalit households is in the western region where the index of access value is 0.31, which is lowest among all regions in the Uttar Pradesh in 2012-13. Highest decline of index of access value is also seen in the western region for the dalit household from 2002-03 to 2012-13. OBCs has almost their share in land in proportion of their share in households among all regions of Uttar Pradesh.

Table 2.12 shows the percentage distribution of households by size category of land holdings across social groups. The proportion of marginal households in the scheduled tribe is 77.4% which is followed by landless, small, semi-medium and

medium where the proportion of households is 10.9%, 7.1%, 3.68% and 0.88% respectively in 2012-13.

Table 2. 12: Percentage distribution of households by size category of land holdings across social groups (2002-03 & 2012-13)

Social groups	Year	Landless	Marginal	Small	Semi-medium	Medium	Large
Scheduled tribe	2002-03	10.02	68.67	20.13	1.19	0	0
	2012-13	10.9	77.44	7.1	3.68	0.88	0
Scheduled caste	2002-03	2.63	90.75	5.1	1.46	0.06	0
	2012-13	2.05	93.76	3.39	0.73	0.07	0
Other backward class	2002-03	2.09	79.05	12.72	4.64	1.45	0.06
	2012-13	2.09	86.08	8.31	2.86	0.63	0.02
Upper castes	2002-03	2.42	67.7	17.65	7.94	4.05	0.23
	2012-13	5.44	68.98	13.06	9.33	3.14	0.05

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

The proportion of marginal and landless has increased from 10.02% to 10.9% and 68.7% to 77.4% from 2002-03 to 2012-13 respectively, while the proportion under small category has declined significantly. In the scheduled caste social group highest marginalisation of households is seen among all social groups where 97.8% of households belongs to marginal size category in 2012-13. The proportion of marginal households has increased from 90.7% to 93.7% from 2002-03 to 2012-13. In the scheduled caste the proportion of households in the landless, small and semi-medium declined from 2.6% to 2.05 %, 5.1% to 3.4% and 1.46% to 0.73% from 2002-03 to 2012-13 respectively. In the other backward class, the proportion of households under marginal category has increased from 79% to 86% from 2002-03 to 2012-13. The proportion of landless remains the same, while the proportion of households under other larger category like small, semi-medium, medium and large declined. In the ‘Upper castes’ social group the proportion of marginal households is lowest where only 69% of households are under marginal category in 2012-13, on the other hand, it was increased slightly from 2002-03 where 67.7% of households were under the marginal category. The proportion of ‘Upper caste’ in small, semi-medium, medium and large category is 13%, 9.3%, 3.14% and 0.05% respectively in 2012-13 which is higher than all Upper caste social group, while the proportion under semi-medium category has increased from 7.9% to 9.3% from 2002-03 to 2012-13.

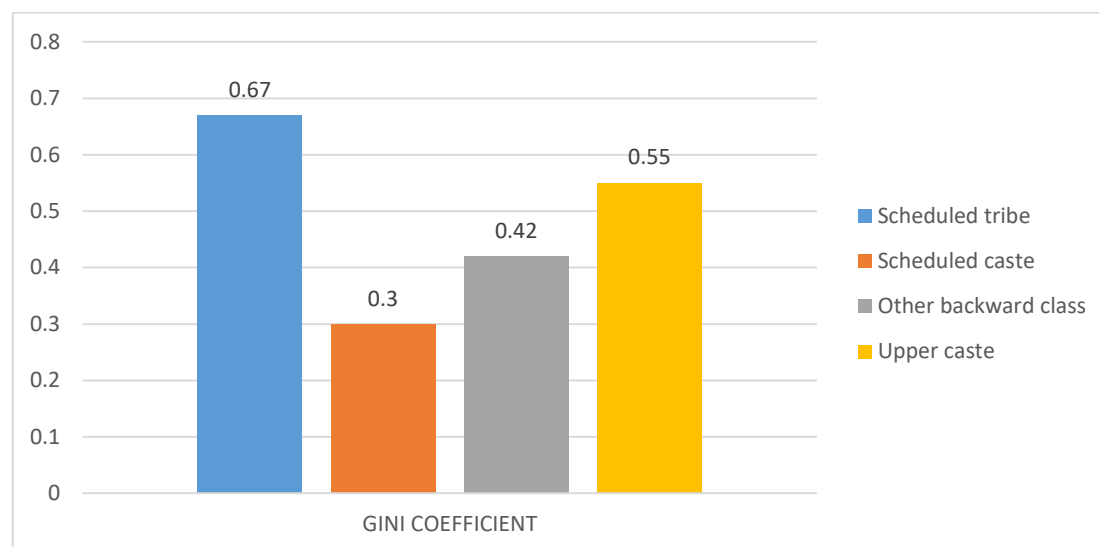
Table 2. 13: Percentage distribution of area by size category of land holdings across social groups (2002-03 & 2012-13)

Social groups	Year	Landless	Marginal	Small	Semi-medium	Medium	Large
Scheduled tribe	2002-03	0.005	26.91	65.52	7.57	0.00	0.00
	2012-13	0.016	25.50	30.02	31.15	13.32	0.00
Scheduled caste	2002-03	0.003	61.47	23.75	13.53	1.24	0.00
	2012-13	0.001	67.41	21.58	9.23	1.78	0.00
Other backward class	2002-03	0.001	36.29	28.58	20.06	13.40	1.67
	2012-13	0.001	48.45	26.03	16.97	7.76	0.78
Upper caste	2002-03	0.000	23.50	26.51	23.18	23.15	3.66
	2012-13	0.000	26.88	21.10	27.06	24.19	0.76

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

The table 2.13 explains data about percentage distribution of area by size category of land holdings across social groups for 59th Round and 70th Round. In 2012-13, the proportion of scheduled tribe in marginal category of land area is only 25.5%. The area in this social group has equitably distributed among the land size category of small, semi-medium and medium where the proportionate area is 30%, 31% and 13.2% respectively in 2012-13. Among the scheduled caste highest proportion of area in the marginal category has seen which is 67.4% in 2012-13. The proportion of area in the marginal category has increased from 59th round to 70th round. The proportion of scheduled caste in the small and semi-medium area has declined significantly, and the proportion in the medium category has increased slightly. In the other backward class category, the proportion of area in the marginal category has increased from 36.3% to 48.5% from 2002-03 to 2012-13. However, the proportionate area under other land size category like small, semi-medium, medium and large has declined. In the ‘Upper caste’ group the proportionate area is almost equally distributed in all group except landless and large. It shows the highest proportion of land in the small, semi-medium and medium group which individually contributes more than 20% area of land. The proportion under the semi-medium and medium category has increased from 2002-03 to 2012-13. Thus, in the upper caste group most of land are in larger size. Though their proportion in the households in these larger group is less, their contribution in area is very high in comparison to other social groups which shows the inequality in the ownership holding in Uttar Pradesh among social groups.

Figure 2. 5: Intra-Caste Inequality in Size Class of Ownership Holdings (70th Round)



Source: Calculated from unit level data, 70th round, Schedule 18.1

Figure 2.6 gives data about the intra-caste inequality in the ownership of landholding across size-class of land. The highest inequality is seen among scheduled tribes where the Gini-coefficient value is 0.67 followed by Upper castes (0.55) and other backward class social group (0.42). The lowest inequality is seen among the scheduled caste households where the value of Gini-coefficient is only 0.3.

2.10 Landlessness among social groups

Table 2.14 analyse the landlessness in ownership holdings among social groups in 2002-03 and 2012-13. In Uttar Pradesh 2.74% households are landless who owned less than 0.002 hectare of land including homestead land. Contrastingly, landlessness in terms of households that ‘don’t own any land other than homestead’ is 32.15%. Landlessness in terms of households that ‘don’t own any land other than homestead’ gives clear picture of landlessness because it excludes the homestead land.

Landlessness in terms of households that ‘don’t own any land other than homestead’ is highest among the scheduled tribes where the 46% of households are landless followed by scheduled caste households where 44% of households are landless in 2012-13.

Table 2. 14: Landlessness among social groups (2002-03 & 2012-13)

Social groups	Households that don't own any land including homestead		Households that don't own any land other than homestead	
	59 th Round	70 th Round	59 th Round	70 th Round
ST	10.02	10.9	53.5	46.22
SC	2.63	2.05	36.79	44.5
OBC	2.09	2.09	26.92	30.03
Upper Castes	2.42	5.44	26.16	21.34
U.P.	2.36	2.74	29.64	32.15

Source: Calculated from unit level data-NSS 59th round & 70th round, Schedule 18.1

Lowest landlessness is seen in the 'Upper caste' social group where the landlessness is only 21.3%. The landlessness among the other backward class households is 30.03%. If we compare 59th round with the 70th round, we find that landlessness has increased for the upper caste households that don't own any land including homestead but declined from 26.1% to 21.3% in terms of households that don't own any land other than homestead. It means that the access to land other than homestead which usually used for agriculture has increased for the upper caste. For the dalit and OBCs households, landlessness in terms of households that don't own any land other than homestead has increased significantly from 36.8% to 44.5% and 26.9% to 30% respectively. This shows the increasing marginalisation and proletarianization of dalit households in terms of access to land.

Table 2. 15: Landlessness¹³⁹ among social groups for different regions

Social Groups	Western U.P.		Central U.P.		Eastern U.P.		Southern U.P.	
	59 th Round	70 th Round	59 th Round	70 th Round	59 th Round	70 th Round	59 th Round	70 th Round
ST*	0	69.26	1.3	54.9	62.25	34.22	78.02	0
SC	48.45	58.73	29.64	43.63	31.75	38.33	37.78	27.41
OBC	34.84	37.94	25.16	27.4	21.61	25.11	18.16	14.97
Upper Caste	34.66	32.37	37.36	13.87	13.99	12.98	25.16	26.04

Source: Calculated from unit level data-NSS 59th round & 70th round, Schedule 18.1

Note: inadequate sample size

¹³⁹ Households that don't own any land other than homestead

Table 2.15 shows the proportion of landless households among social groups for the different regions. For this table, the landlessness is calculated as the households that don't own any land other than homestead. This shows the right situation of landlessness. Across all region, SCs has the maximum landlessness household in the Western Uttar Pradesh. In 2012-13, 58.73% of SCs households are landless in the Western Uttar Pradesh. In the eastern Uttar Pradesh, landlessness is low for the dalit household in compare to the western and central region in 2012-13. Landlessness for SCs has increased in all region except southern Uttar Pradesh from 2002-03 to 2012-13. However, for the Upper caste the landlessness has declined in all region except southern region where it has increased slightly.

2.11 Determinants of Household land ownership (2012-13)

The result of regression analysis (table 2.16) shows that the land owned by all social groups depends on several independent factors such as religion, social group, household size and household status. For the analysis of determinants of the land ownership, it has been divided into two classes- one, who own land less than one hectare and other, who own land more than one hectare. The non-Hindu household has the lower odds in comparison to the Hindu household. For the analysis, Muslims, Christians and Sikhs are clubbed into one group which is 'Non-Hindu'. It shows that the Hindus are more likely to own larger landholding size in comparison to non-Hindu households. Social group also influenced the land owning pattern of the household. Upper caste has the higher probability to own the large size of landholdings which is followed by the OBCs. Scheduled caste has the least probability to own land among all four social groups. Apart from that, household status also determines significantly for the size of land ownership. Households with self-employed in agriculture have the highest probability of greater access to land. Self-employed in agriculture includes those households which are self-employed in cultivation, livestock farming and in other agricultural activities. Household size also influences the landownership. Big household size are more likely to own significant amount of land.

Table 2. 16 : Results of Binary Logistics Regression Model of Land Ownership in Uttar Pradesh (2012-13)

Land ownership	Odds Ratio	p-value	95% CI
Religion			
Hindu ®	1.000		
Non-Hindu	0.561	0.000	(0.43,0.73)
Social Groups			
Schedule Tribe ®	1.000		
Scheduled Caste	0.484	0.067	(0.22,1.05)
Other Backward class	1.424	0.362	(0.67, 3.04)
Upper Caste	3.447	0.002	(1.60, 7.42)
Household Status			
Self-employed in agriculture®	1.000		
Self-employed in Non-agriculture	0.065	0.000	(0.04, 0.10)
Wage/ salaried employment, remittances & others	0.057	0.000	(0.04, 0.08)
Household Size			
One to four®	1.000		
Five to eight	1.790	0.000	(1.52, 2.11)
Nine to twelve	3.618	0.000	(2.85, 4.59)
More than twelve	8.875	0.000	(6.06, 12.99)
Constant	0.489	0.067	(0.23, 1.05)
Number of observations	4920		
LR chi2(9)	1975.92		
Prob > chi2	0.0000		
Pseudo R2	0.2988		

® Reference category. CI: Confidence Interval.

Source: Calculated from unit level data-NSS 70th round, Schedule 18.1

2.12: Regional analysis of distribution of households by size category of land holdings across social groups

Table 2.17 depicts the land distribution pattern of western Uttar Pradesh across social groups for the time period from 2002-03 to 2012-13. Marginalisation of dalit households is highest and has increased over the period of time. In the 2002-03 about 93% of dalit households were in the marginal category, while in 2012-13 it has increased. More marginalisation of dalit households in the western region is showing the deplorable conditions of dalit households in the Uttar Pradesh. In the western region where farmers are getting benefit from mechanisation owing to large land size but the dalit households experiencing marginalisation of landholding is becoming a source of exclusion from the benefit of the green revolution and increasing mechanisation. The

proportion of households under small, semi-medium, medium and large category has declined for the dalit households. In this region almost 99% of the tribal household are under the marginal category. Among the OBC households, marginalisation has increased from 82 % to 87%. The proportion of households under small, semi-medium, medium and large has declined. In the 2002-03, least marginal households are seen in upper caste. However, the proportion of marginal households has increased from 71.44% to 73.46%.

Table 2. 17: Distribution of households across social groups of Western Uttar Pradesh (2002-03 & 2012-13)

Social groups	Round	Marginal ¹⁴⁰	Small	Semi- medium	Medium	Large	Total
ST	59 th round	100	0	0	0	0	100
	70 th round	98.7	0	1.31	0	0	100
SC	59 th round	93.84	4.86	1.2	0.11	0	100
	70 th round	95.82	3.29	0.89	0.01	0	100
OBCs	59 th round	82.38	11.48	4.71	1.4	0.03	100
	70 th round	87.35	8.71	3.26	0.68	0.02	100
Upper caste	59 th round	71.44	17.09	7.8	3.25	0.42	100
	70 th round	73.46	11.8	12.17	2.51	0.08	100
Total	59 th round	83	10.98	4.47	1.45	0.1	100
	70 th round	86.17	8.28	4.66	0.89	0.02	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Though the proportion of households under small, medium and large has declined, the proportion of households under semi-medium category has increased for Upper Caste. In this region, among the Upper caste household significant share in the small, semi-medium and medium size of landholdings which is highest among all social groups in 2012-13.

In the central Uttar Pradesh also highest proportion of households under marginal category is among dalits in 2012-13 (table 2.18). In this region, marginalisation has increased for Upper caste households from 74.1 % to 80%.

¹⁴⁰ For this analysis marginal households are those households who own less than one hectare of land.

Table 2. 18: Distribution of households across social groups of Central Uttar Pradesh (2002-03 & 2012-13)

Social groups	Round	Marginal ¹⁴¹	Small	Semi- medium	Medium	Large	Total
ST*	59 th round	1.3	98.7	0	0	0	100
	70 th round	83.35	5.59	8.75	2.31	0	100
SC	59 th round	91.65	6.33	1.92	0.11	0	100
	70 th round	93.15	5.34	1.38	0.13	0	100
OBC	59 th round	76.79	17.44	4.52	1.25	0	100
	70 th round	90.57	6.1	2.65	0.69	0	100
Upper caste	59 th round	74.11	16.22	6.08	3.54	0.05	100
	70 th round	80.03	12.83	5.99	1.16	0	100
Total	59 th round	81.18	13.63	3.91	1.27	0.01	100
	70 th round	89.55	6.96	2.88	0.61	0	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Note: Inadequate sample size.

The highest increase in the proportion of marginal household is seen in the OBCs households where it increased from 75% to 90%. This abrupt increase is due to the high proportionate decline of households under the small category of households. There is a lack of large category of households among all social groups in 2012-13 in the central Uttar Pradesh.

Table 2. 19: Distribution of households across social groups of Eastern Uttar Pradesh (2002-03 & 2012-13)

Social groups	Round	Marginal ¹⁴²	Small	Semi -medium	Medium	Large	Total
ST	59 th round	76.98	21.39	1.63	0	0	100
	70 th round	95.67	4.33	0	0	0	100
SC	59 th round	96.95	2.33	0.72	0	0	100
	70 th round	97.92	1.96	0.12	0	0	100
OBC	59 th round	85.51	10.55	3.31	0.58	0.06	100
	70 th round	92.89	5.33	1.52	0.26	0	100
Upper caste	59 th round	70.49	17.48	8.82	3.03	0.17	100
	70 th round	76.49	14.22	6.79	2.45	0.04	100
Total	59 th round	85.58	9.82	3.65	0.89	0.06	100
	70 th round	91.53	5.89	2.01	0.56	0.01	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

¹⁴¹ For this analysis marginal households are those households who own less than one hectare of land.

¹⁴² For this analysis marginal households are those households who own less than one hectare of land.

In the eastern Uttar Pradesh also significant marginalisation of households is seen in the scheduled caste category of households where 98% of households belong to marginal category in 2012-13 (table 2.19). The share of marginal and small households among the scheduled tribes is 95.6 % and 4.33% respectively. The marginalisation has increased among the scheduled tribes from 2002-03 to 2012-13. In the 2002-03 only 77% of scheduled tribes households were under the marginal category which became 96% in the 2012-13. The proportion of ST households under the small category has declined significantly from 59th round to 79th round. In the scheduled caste, the proportion under small and semi-medium category has declined from 2.33% to 1.96% and 0.72% to 0.12% respectively from 2002-03 to 2012-13. The Upper caste have least proportion of households in the marginal category among all other social group in 2012-13. The proportion of 'Upper caste' in the small, semi-medium and medium category is 14.22%, 6.8%, 2.45% which is highest among all social groups in 2012-13.

Table 2. 20: Distribution of households across social groups of Southern Uttar Pradesh (2002-03 & 2012-13)

Social groups	Round	Marginal ¹⁴³	Small	Semi medium	Medium	Large	Total
ST*	59 th round	100	0	0	0	0	100
	70 th round	0	100	0	0	0	100
SC	59 th round	70.53	22.77	6.71	0	0	100
	70 th round	88.17	8.85	2.07	0.92	0	100
OBC	59 th round	49.9	23.93	15.71	9.9	0.56	100
	70 th round	49.49	36.62	10.46	3.07	0.35	100
Upper Caste	59 th round	43.82	28.02	8.07	20.08	0	100
	70 th round	44	13.82	22.61	19.57	0	100
Total	59 th round	55.25	24.03	11.5	8.93	0.29	100
	70 th round	55.76	27.27	11.04	5.7	0.22	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Note- Inadequate sample size.

In the southern Uttar Pradesh also the marginalisation of dalit households also increased from 2002-03 to 2012-13 (table 2.20). In 2002-03 only 70.2% of dalit households were under the marginal category which increased, and this proportion became 88.2% in 2012-13. The proportion of scheduled caste in the small category has declined significantly from 22.7% to 8.8%. For the Upper caste, the proportion of

¹⁴³ For this analysis marginal households are those households who own less than one hectare of land.

households under marginal and small category has decreased significantly from 43.8% to 33.7% and 28% to 13.8% respectively from 2002-03 to 2012-13. The proportion under semi-medium group of 'Upper caste' category has increased significantly from 8% to 22.6%. The proportion of 'Upper caste' households in the semi-medium and medium category is 22.6% and 19.6% respectively in 2012-13.

2.13 Distribution of Operational Landholding in Uttar Pradesh

“An operational holding is defined as a techno-economic unit wholly or partly for agricultural production and operated (directed/managed) by one person alone or with the assistance of others, without regard to title, size or location. The holding might consist of one or more parcels of land, provided these are located within the country and form part of the same technical unit.”¹⁴⁴ Within a household, different household members might possess different plots, but the households operated the plots as a single unit. For the purpose of the survey on LHS in NSS 70th round, information was collected for household operational holding considering all the land operated by all the household members together. Within a household, multiple operational holdings were not distinguished and this was considered as one operating unit.¹⁴⁵

Table 2. 21: Distribution of household operational holdings in Rural Uttar Pradesh (2002-03 & 2012-13)

Category of holdings	Percentage of households		Percentage of area operated	
	59 th round	70 th round	59 th round	70 th round
Landless	0.17	0.03	0.00018	0.00008
Marginal	75.52	82.63	34.02	42
Small	16.22	11.19	28.74	24.59
Semi-medium	5.93	4.87	20.33	20.14
Medium	2.02	1.19	14.11	11.36
Large	0.14	0.1	2.75	1.91

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1, Visit 1, (2012-13 and 2002-03).

In the analysis of operational households (table 2.21), the percentage of households in the landless category has declined over the period as against the

¹⁴⁴ Some Aspects of Operational Land Holdings in India, 2002-03, NSS Report No. 492(59/18.1/3), p.5

¹⁴⁵ Household ownership and operational holdings in India, report no. 571 (2013), p. 11

ownership holdings where the landlessness has increased. The percentage of households under land category were 0.17 in the 59th round (2002-03) and declined to 0.03 in the 70th round (2012-13). Here the decline in landlessness may be due to access to land on account of the lease market. If we analyse the percentage of area operated in the landless category the percentage of area operated also declined. In the marginal category, the percentage of households has increased from 75.5% in the 2002-03 to 82.63% in 2012-13. The percentage of area operated in this category of households also increased. The percentage of area operated in the marginal category of households increased from 34% to 42%. In the small, semi-medium, medium and large category, the percentage of households has declined as well as the respective percentage of area operated of this category of households has also declined. However, if we compare the land size class wise ownership data with the operational data, we see that though landlessness has declined in the operational holding in comparison of ownership holding but in other size class like marginal, small, semi-medium, medium and large the percentage of households as well as area owned by these land category has increased. One possible explanation is that due to the decline in landlessness in the operational holdings the share of marginal, small, semi-medium, medium and large category has increased.

Table 2. 22: Inter- class concentration Ratio (ICCR) of operational holding in Uttar Pradesh (2002-03 & 2012-13)

Category of households operational holdings	Inter class concentration ratio	
	59 th Round	70 th Round
Landless	0.11	0.27
Marginal	45.05	50.83
Small	177.19	219.75
Semi-medium	342.83	413.55
Medium	698.51	954.62
Large	1964.29	1910.00

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

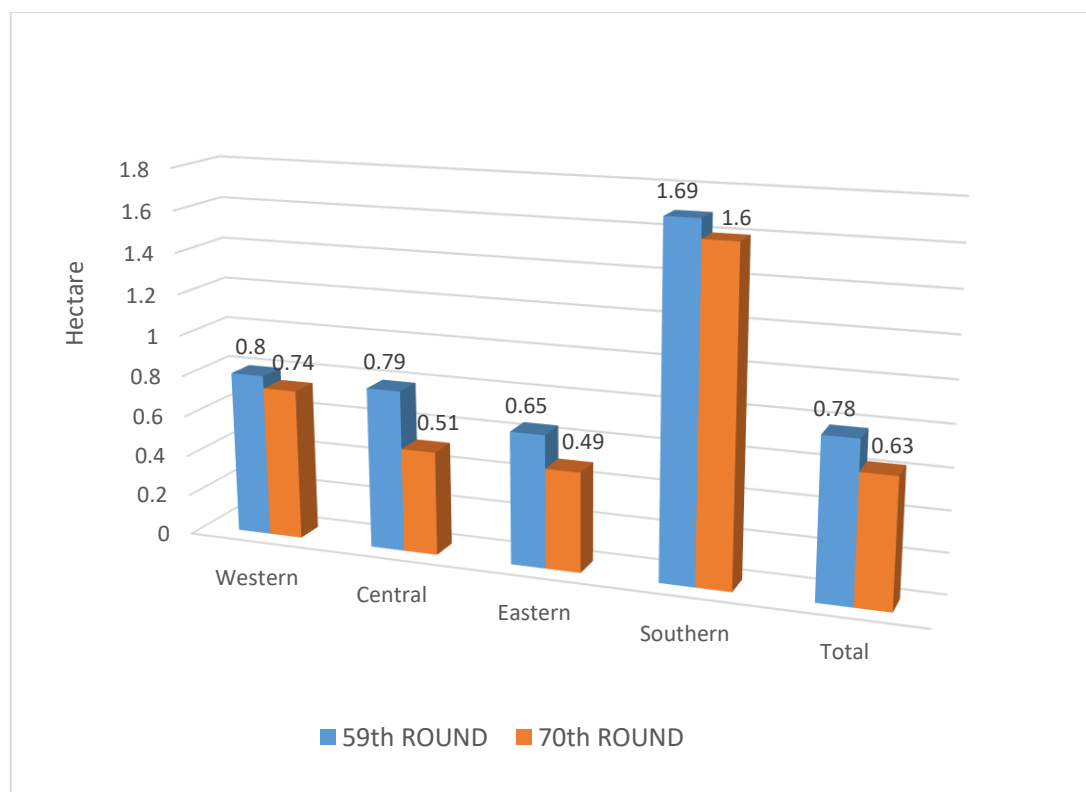
Table 2.22 shows that for the landless marginal households ICCR is less than 100 in both rounds which means that land owned by marginal households and landless households is less than their household's shares. ICCR increases for all sizes classes except large category of households between 2003 and 2013. Inter-class concentration ratio for the landless also increased in the operational holdings from 0.11 to 0.27 against

the decline of ICCR in the ownership holdings for this category. It means some landless households has leased-in land from large land owners to earn their livelihood as well as to increase the scale of operation. For the large category of households, ICCR has declined from the value of 1964 to 1910. It means the concentration of holdings in the large category has declined. This is possible when the large category of households has less operated land as they used to lease-out their land to the landless and marginal farmers.

ICCR is highest for large Households which indicate that they have much more share of land operated as compare to their number of households. However, there is declining trend of ICCR for the large land category of households. It may be due to the absentee landlordism, since large category of farming households (landlords) most of the time lease out their land to other category of households. Land area owned by small, Semi-medium and medium Households are also high as compare to their Households operational shares. It indicates that though the percentage of households and area operated has declined from 2002-03 to 2012-13 for the large and medium-size category, their share in the area is still high in comparison to their share in households. Here can be said that due to lease-in market the access to land has increased for the landless and marginal households. From the 2002-03 to 2012-13 the concentration of land is declined for the large category of households, while it has increased in other land size categories.

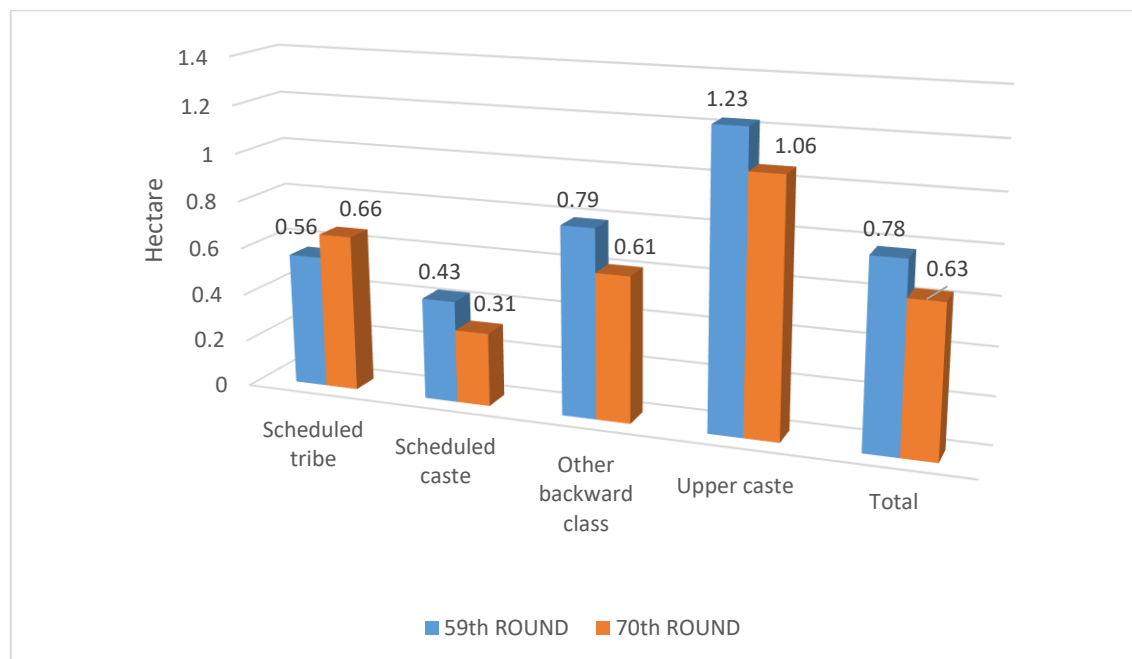
Average operational area per households has declined from 0.78 hectare to 0.63 hectare in whole Uttar Pradesh (figure 2.7). Due to increasing pressure of population the average operation area per operating households usually tends to decline. In 2012-13, average operational area per operating households is highest in the southern region which is 1.6 hectare due to unproductivity of land and less population pressure. The southern region is followed by western region where average operational area (ha.) per operating households is 0.74 hectare. Lowest average operational area per operating households is in the eastern region which is 0.49 hectare. It is due to high population pressure on the agricultural land in the eastern Uttar Pradesh. In almost all region the average operational area is declining.

Figure 2. 6: Average operational area (ha.) per operating households across region (2002-03 & 2012-13)



Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Figure 2. 7 : Average operational area (ha.) per operating household by Social groups (2002-03 & 2012-13)



Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Figure 2.7 gives data on the average operational area (ha.) per operating households by social groups. 'Upper caste' have highest average operational area (ha.) per operating household which is 1.06 hectare. 'Upper caste' is followed by scheduled tribes and OBCs where the average area in 2012-13 is 0.66 and 0.61 hectare respectively. The scheduled caste has lowest average operational area per operating households where the average operational area is only 0.31 hectare. Across all social groups, declining trend is seen in the average operational area per operating households except scheduled tribes where the average operational area has increased from 0.56 to 0.66 hectare. This shows relatively better situation of scheduled tribes in comparison to dalits regarding access to operational land.

Table 2. 23: Distribution of Household Operational Holdings of Western Region (2002-03 & 2012-13)

category of holdings	Percentage of household		Percentage of area operated	
	59th round	70th round	59th round	70th round
Landless	0.06	0	0.00	0.00
Marginal	75.01	78.90	31.61	37.94
Small	16.25	12.25	28.46	22.87
Semi-medium	6.46	7.42	21.35	25.38
Medium	1.97	1.21	13.31	9.78
Large	0.26	0.21	5.27	4.02

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Table 2. 24: Distribution of Household Operational Holdings of Eastern Region (2002-03 & 2012-13)

Category of holdings	Percentage of household		Percentage of area operated	
	59th round	70th round	59th round	70th round
Landless	0.12	0.05	0.00	0.00
Marginal	81.58	88.04	43.49	53.80
Small	12.53	8.68	26.38	25.37
Semi-medium	4.56	2.51	19.03	13.29
Medium	1.13	0.71	9.42	7.23
Large	0.07	0.01	1.68	0.30

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Table 2. 25: Distribution of Household Operational Holdings of Central Region (2002-03 & 2012-13)

Category of holdings	Percentage of household		Percentage of area operated	
	59th round	70th round	59th round	70th round
Landless	0.55	0.04	0.00	0.00
Marginal	71.28	86.66	33.61	50.52
Small	20.59	8.96	34.81	23.95
Semi-medium	5.91	3.62	20.06	18.24
Medium	1.65	0.73	11.31	7.29
Large	0.01	0	0.21	0.00

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Table 2. 26 : Distribution of Household Operational Holdings of Southern Region (2002-03 & 2012-13)

Category of holdings	Percentage of household		Percentage of area operated	
	59th round	70th round	59th round	70 th round
Landless	0.00	0	0.00	0.00
Marginal	42.78	41.9	11.27	12.92
Small	31.37	36.47	26.81	28.67
Semi-medium	14.30	14.41	21.87	24.09
Medium	11.21	6.96	36.84	32.05
Large	0.35	0.27	3.21	2.27

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Table 2.23, 2.24, 2.25 and 2.26 shows that least proportion of marginal category of operational holdings is seen in the southern region where only 42% of operational households are under marginal category in 2012-13. Southern region in terms of proportion of marginal operational households is followed by the western region where only 78.9% operational households are under marginal category. The proportion of marginal category operational households has increased in all region except southern region where this proportion increased slightly. The region which experiences increase in the proportion of marginal households the area operated by this category of households also increased. The proportion of landless households is almost negligible in all region due to the fact that most of the landless owning households used to lease-in land. Maximum proportion of large category of operational households is seen in the western and the southern region where that proportion of households in the medium and large category is 1.21% and 0.21% for the western region and 6.96% and 0.27% in the southern region in 2012-13. In the western region significant proportion of area operated is in the medium and large category which is 9.78% and 4% respectively in

2012-13. In terms of area operated declining proportion of area is seen in the all category except marginal category. This declining trend is visible in all region except southern region.

2.14 Conclusion

On the basis of the forgoing analysis and discussion following conclusion can be drawn:

- Landlessness and marginalisation of holdings has increased in Uttar Pradesh from 2002-03 to 2012-13. This is increased due to the combined factor of population pressure and dispossession of land of the poor agricultural households. Average area owned per household has declined in all region of Uttar Pradesh.
- Inequality in the landholding in terms of percentage of population and percentage area owned by them across size class of holding has decreased form 2002-03 to 2012-13. The Gini-coefficient was decreased from 0.50 to 0.47. This marginal decrease may be due to the marginalisation of land holdings and sub-division of land.
- Landlessness (household that don't own any land other than homestead) has increased in Uttar Pradesh form 2002-03 to 2012-13. It is very high in western Uttar Pradesh (42%), on the other hand, low in southern and eastern Uttar Pradesh. This shows the grim situation of the farmers of the western region. High incidence of landlessness (more than one-third of households) also indicate the dispossession of land and proletarianization of households. This results into increasing number of agricultural labourers with exploitative low wages. Across social groups highest landlessness¹⁴⁶ is reported among Scheduled Tribe households (46.2%) followed by scheduled caste households (44.5%). In the recent decade, the proportion of landless household has increased significantly for the dalits while declined for the Upper caste household.
- Across all region, SCs has the maximum landlessness¹⁴⁷ household in the Western Uttar Pradesh. In 2012-13, 58.73% of SCs households are landless in the Western Uttar Pradesh. In the eastern Uttar Pradesh, landlessness is

¹⁴⁶ Households that don't own any land other than homestead.

¹⁴⁷ Households that don't own any land other than homestead.

low for the dalit household in compare to the western and central region in 2012-13.

- Highest increase is seen in ICCR (Inter class concentration ratio) in medium and large households in the distribution of ownership holdings. (There are increasing trend in area owned in comparison to their proportion in households). In the operational holding though the ICCR has increased in the landless, marginal, small and semi-medium category but it has declined in the medium and large category. This shows the relatively less concentration of land in the large and medium farmers of the operational landholdings.
- Proportionate area owned by large category of household¹⁴⁸ has declined significantly in the western and eastern Uttar Pradesh. In the western Uttar Pradesh proportion of area owned as well as households has increased for the semi-medium category of households. It means the transfer in the ownership holding took place in the almost same class and to increase the scale of operation. In case of eastern Uttar Pradesh, since the area in the large category of households has declined, it contributed to increase in the area of households of marginal category. One possible explanation of this fact may be that absentee landlord may have sell their land to landless or petty landholders in case of prosperity driven out migration either in urban areas of the same city or other city. In the southern Uttar Pradesh or Bundelkhand region, there is lack of marginalisation of land holdings. It is due to the low population pressure as well as unproductivity of land.
- In all regions of Uttar Pradesh, the proportion of households under the marginal land size is lowest among the upper caste households except bundelkhand region. On the other hand, dalits have highest proportion of marginal household in all region. Except bundelkhand, in other region the marginalisation has increased almost in all social groups from 2002-03 to 2012-13.
- Inequality has increased among the social groups. The Gini-coefficient of inequality has increased from 0.19 to 0.23 for 2002-03 and 2012-13 respectively. The rising inequality shows the deplorable condition of lower

¹⁴⁸ own more than 10 hectare of land.

caste and dalits regarding ownership of lands and rising concentration of land in the hands of the upper caste. Most of the time lower caste households compelled to sell their land either due to debt burden or unprofitability of agriculture on the small plots. Lowest intra caste inequality is seen among dalits, while highest intra caste inequality is seen among upper caste and Scheduled Tribes.

- In 2012-13, the index to access for land for the upper caste is 1.87, while for the dalits it is 0.44. This shows the inequality among social groups for the access to land very clearly. Western region has the lowest access of land to the dalit households where the index of access value is 0.31, which is lowest among all regions in the Uttar Pradesh in 2012-13. Highest decline of index of access value is seen in the western region for the dalit household from 2002-03 to 2012-13. OBCs has almost their share in land in proportion of their share in households among all regions of Uttar Pradesh.
- In the operational households, almost negligible landlessness and comparatively low marginalisation are experienced due to access to land through land leasing.

CHAPTER-3

PATTERN AND EXTENT OF TENANCY IN UTTAR PRADESH

3.1 Introduction

Tenancy is said to be an outcome of the unequal distribution of land among rural households. The households having larger proportion of land used to lease out land to the landless and marginal farmers. Since the land inequality is historical so the tenancy is also historical and prevalent from British time. Tenancy is a system in which landowner and tenant enter into a kind of agreement where the ownership rights remain with the landowner but the operational rights are given to the tenant with certain pre-defined conditions. But there are two contrasting view about the importance of tenancy in India. One group of scholar says that tenancy is beneficial and important as it provides livelihood and access to land to those households who has very less land. While other group of scholar (Bhaduri, 1973¹⁴⁹; Prasad, 1973¹⁵⁰; Bharadwaj and Das, 1975¹⁵¹) said that this relation is based on the exploitation with its exploitative terms.¹⁵² Usually landlords having large lands lease out their land to the small farmers and extract exorbitant rent from small farmers. Another feature of land leasing is extra-economic coercion of tenant which often occurs by semi-feudal characteristics. Sharecropping often becomes barrier to adopt technology in the cropping.

To highlights this issue of land distribution this chapter will be focused on pattern of tenancy in the recent period on the basis of available data from the NSSO.

3.2 Temporal changes in leasing-in of land (2002-03 & 2012-13)

At all India level, the proportion of lease-in households to total households has increased from the 2002-03 to 2012-13 (figure 3.1). In the 2002-03, 11.51% of the total households were engaged in lease-in while it became 13.1% in 2012-13. There are

¹⁴⁹ Bhaduri, A. (1973). Op. cit., 120-137.

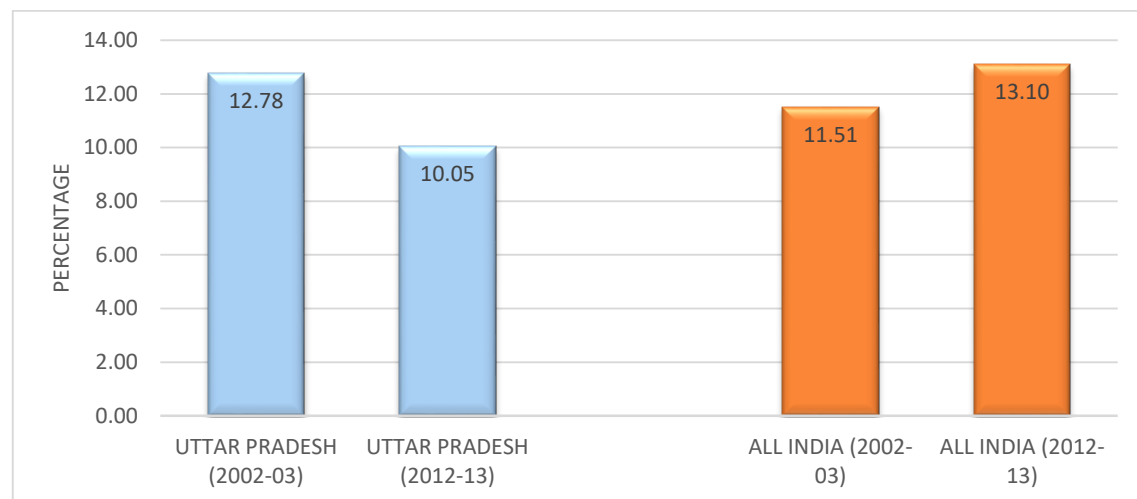
¹⁵⁰ Prasad, P. H. (1973). Production relations: Achilles' heel of Indian planning. *Economic and political weekly*, 869-872.

¹⁵¹ Bhardwaj, Krishna and P.K. Das (1975). Tenurial Conditions and Mode of Exploitation: A Study in Some Villages in Orissa. *Economic and Political Weekly*, Vol.10, Nos.25-26, June 21-28.

¹⁵² Fahimuddin (2012). Op.cit., p.393

several factors which influence the household's decision to lease-in land. Many times, household who own land uses to lease-in land not only to increase the scale of operation but also enter into lease market to utilise their indivisible and non-tradable inputs like bullocks, tractors, farm machinery in a more optimum way. Landless labour household and marginal and sub-marginal household used to lease-in land to earn livelihood due to lack of alternative employment opportunities.¹⁵³

Figure 3. 1: Proportion of lease-in households to total households



Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

However, in Uttar Pradesh, it has declined from 2002-03 to 2012-13. The proportion of households lease-in was 12.78% in 2002-03, and it has declined to 10.05% in 2012-13. The reason behind the decline in tenancy in Uttar Pradesh may be due to the unprofitability of agriculture or growing distress driven non-farm employment and rising wage labour in the rural sector. Another important reason might be the prohibition of tenancy in the Uttar Pradesh. Due to this factor, often rural households do not report that they have lease-in any land. Thus under-reporting of households as well as false reporting due to fear of law leads to the relatively low proportion of tenant households in the records. Decades ago, the government had made various legislation for the complete elimination of tenancy, but despite these legislation, the tenancy is prevalent in the Uttar Pradesh in the form of 'concealed tenancy' which is the basic feature of the pre-capitalist form of agrarian relation.¹⁵⁴ The Uttar Pradesh

¹⁵³ Sharma, H. R. (2010). Op.cit., P.92

¹⁵⁴ Diwakar, D. M. (2000). Agrarian Transformation in Uttar Pradesh. *Journal of Social and Economic Development*, Vol. III, No. I, p. 123.

zamindari abolition act, 1952 prohibited the leasing out of land. However, it was exceptionally allowed only to widows, minors and member of armed forces. In actual practice tenancy continued to prevail in all parts of the state as the various round of National Sample Survey have shown.¹⁵⁵ The same situation of concealed tenancy also experiences in Bihar. In the Bihar, due to the fear of bataidari act, large farmers usually lease out land for the shorter period and change tenants frequently. It is done as a precautionary measure to escape from the recording of the long-term lease. Since tenants having long lease can claim occupancy right on the lease-in land under the bataidari act. This situation can also be experienced in the Uttar Pradesh due to the fear of bataidari act in the region of subsistence tenancy.¹⁵⁶

In the subsistence tenancy usually small and marginal farmers lease-in land against the capitalistic tenancy where the large farmer lease-in land to increase their scale of operation for agriculture.¹⁵⁷ In this context, now scholars have argued for the legalisation of tenancy. The ban of tenancy which was imposed to protect the tenants has only ended up hurting the economic interest of tenants as they are not even recognised as tenants.¹⁵⁸ At the same time, they also didn't get any benefit or government subsidy. There are consensus among scholar (Appu 1996¹⁵⁹; hanstad et al. 2008¹⁶⁰) that land rental markets facilitates land access to the poor.

Table 3.1: Proportion of lease-in households to total households across regions in Uttar Pradesh (2002-03 & 2012-13)

Region	59th round	70th round
Western	11.40	10.11
Central	19.78	11.81
Eastern	11.37	10.05
Southern	8.11	4.87
Total	12.78	10.05

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

¹⁵⁵ Fahimuddin, *op.cit.* p. 395.

¹⁵⁶ Verma, B. N., & Mishra, R. R. (1984). Subsistence Tenancy in a Backward Agrarian Setting: A Case Study of North Bihar. *Social Scientist*, 46-54.

¹⁵⁷ Verma, B. N., & Mishra, R. R. (1984). *Ibid.* p. 2

¹⁵⁸ Fahimuddin, *op.cit.*p.417

¹⁵⁹ Appu, P. S. (1997). *Land reforms in India: a survey of policy, legislation and implementation.* Vikas publishing house.

¹⁶⁰ Hanstad, T., Haque, T., & Nielsen, R. (2008). Improving land access for India's rural poor. *Economic and Political Weekly*, 49-56.

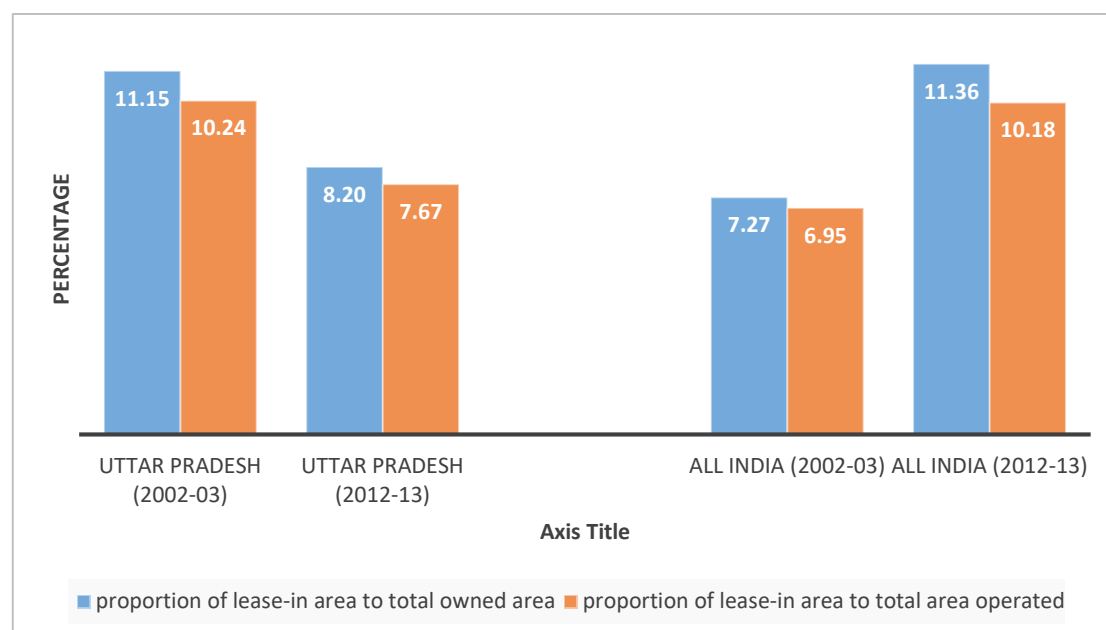
Regional pattern of tenancy (table 3.1) in Uttar Pradesh (2012-13) shows that tenancy in terms of the proportion of households lease-in is highest in the central region where almost 12% of households are tenant households. This region is followed by western and eastern region where the proportion of tenants households who lease-in land is 10.11% and 10.05% respectively. The proportion of tenant households is lowest in the southern region where only 4.87% of households lease-in land. The lowest tenancy in the southern Uttar Pradesh is may be due to low demographic pressure on land and relatively poor productivity of land in this part of Bundelkhand region. The decline in tenancy is not uniform in all region. In every region of Uttar Pradesh, the tenancy has declined, but the highest decline in tenancy is seen in the central and southern region. In the central region tenancy has declined from 19.78% to 11.18%, and in the southern region, it has declined from 8.1% to 4.8% from 2002-03 to 2012-13. In the central region, the proportion of scheduled caste lease-in households has declined significantly from 39.04% to 14.98% for 2002-03 and 2012-13 respectively. (table 3.12 and 3.13 in this chapter). It indicates the eviction of poor dalit tenants in the central Uttar Pradesh which is relatively agriculturally developed region. Another reason may be the shifting of agricultural tenants' workforce in distress driven non-farm sector.¹⁶¹

Due to unprofitability of agriculture and need for increasing mechanisation for surplus production often leads to the eviction of poor farmers from the lease market. Under-reporting of tenancy due to tenancy law and government fear may also be the reason for the declining tenancy in the recent decade in the central region. Though the central region is the agriculturally advanced region, there might be increasing tendency to self- cultivation by the large farmers through mechanisation instead of leasing-out land to the small and petty farmers and thus decreasing share of lease-in households.¹⁶² In the western and eastern region marginal decline is seen in the proportion of households lease-in.

¹⁶¹ Ranjan, S. (2009). Growth of rural non-farm employment in Uttar Pradesh: Reflections from recent data. *Economic and Political Weekly*, 63-70.

¹⁶² Singh, Ajit and Santosh mehra (2017). Op. cit., p.63-73

Figure 3. 2: Proportion of lease-in area to total owned area and area operated (2002-03 & 2012-13)



Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

At all India level, the proportion of lease-in area to total area owned and the total area operated increased from 2002-03 to 2012-13 (figure 3.2). In 2002-03, the proportion of lease-in area to total owned area was 7.27% which has increased up to 11.36% in 2012-13. However, the proportion of lease-in area to the total operated area has increased from 6.95% to 10.18%. In Uttar Pradesh, both the proportion of lease-In area to total owned area and the proportion of lease-in area to total area operated has declined. The proportion of lease-in area to total owned area has declined from 11.15 to 10.24%, while the proportion of lease-in area to total area operated has declined from 8.2% to 7.67%.

According to Fahimuddin, in most areas, the reason for the lease-in land was to use land as a means of livelihood in Uttar Pradesh. The second important reason was the small size of the owned farmland which often becomes unviable and unprofitable due to lack of scale of operation. The other reason for the lease-in of land were for additional income. Some of the tenant's households in the Jhansi district responded that the reason for lease-in of land is to repay the debt. On the whole, it appears that leasing-

in of land was restored for getting greater access to land and for increasing income and better livelihood.¹⁶³

Since the tenancy is prohibited in the Uttar Pradesh, tenants reported were on oral contract who had no security of tenure and always vulnerable of the possibility of eviction by landowners at their will.¹⁶⁴

Table 3.2: Proportion of lease-in area to total area owned and total area operated across Region (2002-03 & 2012-13)

Uttar Pradesh-Region	59th round		70th round	
	Proportion of lease in area to total area owned	Proportion of lease in area to total area operated	Proportion of lease in area to total area owned	Proportion of lease in area to total area operated
Western	11.97	10.93	8.03	7.49
Central	16.77	14.88	8.38	7.89
Eastern	9.4	8.7	9.91	9.09
Southern	5.29	5.11	3.03	2.97

Source: Calculated from unit level data-NSS 70th round and 59th round, Schedule 18.1

Table 3.2 shows the regional pattern of tenancy in terms of proportion of lease-in area to total area owned. It is highest in the eastern region of Uttar Pradesh where 9.91% area is lease-in. Lowest tenancy in terms of area is seen in the southern Uttar Pradesh, which is a Bundelkhand region, here only 3.03% of land area is under tenancy most probably due to less productivity of land. This southern region of Uttar Pradesh too has made little progress in terms of agriculture. By the mid-1990s, crop value per acre in this region was on average less than half that for the western region.¹⁶⁵ In the western and central region proportion of area under lease-in is 8.03 % and 8.38% respectively. Significant change is seen in the proportion of area under lease-in from 2002-03 to 2012-13. In the western region rapid decline is seen in the proportion of lease-in area to total area owned as well as in the proportion of lease in area to total area operated where the decline was from 11.97 to 8.03% and 10.93 to 7.49 % respectively from 2002-03 to 2012-13. However, in the Eastern region, increase in the proportion of lease-in area to total area owned as well as lease-in area to total area operated is seen where

¹⁶³ Fahimuddin, Op.cit. P. 408

¹⁶⁴ Fahimuddin, ibid. P. 410.

¹⁶⁵ Ranjan, S. (2009). Op.cit., p. 63-70.

it has increased from 9.40 to 9.91% and 8.7 to 9.09% respectively from 2002-03 to 2012-13. Contrastingly, tenancy has increased in the eastern region and has declined in the western and central region regarding both proportion of lease-in area to total area operated and proportion of lease-in area to total area owned. Some economist like Bhalla and Byres hold the view that modern technology with the mechanisation of agricultural operations has led to the elimination of tenants.¹⁶⁶ Since the western Uttar Pradesh is agriculturally more developed in relation to another region and has significant mechanisation and input use due to the influence of green revolution, the argument of Bhalla (1977) and Byres (1981) hold fit for the interpretation. Though in both eastern and western region, proportion of the households involved in lease-in market has decline but more decline is seen in the western region.

The central region has recorded significant decline not only regarding proportion of households engaged in tenancy but also in terms of proportion of lease-in area to total area operated. Since the central region is agriculturally more advanced after the western region and this may leads to elimination of the tenants. While in the eastern region, though the households under lease-in category has declined slightly, the area under these households has increased significantly which is a good sign for the eastern region regarding access to land. It shows that the tenancy is still profitable in the eastern region for the poor households who are meeting their livelihood through this institution despite being agriculturally less advanced and characterised by the semi-feudal relation.

In the 2002-03, only 8.91% of households were engaged in the lease-in, while it has increased by 13.22% in 2012-13 (table 3.3). The proportion of lease-in households under the marginal category has declined from 81% to 76.5%. The proportion under the semi-medium, medium category has also declined from 2.06% to 1.16%, 0.34% to 0.12% respectively from 2002-03 to 2012-13. In the large category, there are almost negligible households in the 2012-13, while it was 0.24% in 2002-03.

¹⁶⁶ Singh, Iqbal (1989). Op.cit., P. 86.

Table 3.3 : Distribution of Households Lease-in in Uttar Pradesh across different Landholding size (2002-03 & 2012-13)

Size- class	59 th Round	70 th Round
Landless	8.91	13.22
Marginal	81.02	76.52
Small	7.43	8.97
Semi-medium	2.06	1.16
Medium	0.34	0.12
Large	0.24	0
Total	100	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

It shows that in the recent decade, the landless class are engaging more in lease-market in comparison to semi-medium, medium and large class. Since small plots are being lease-in, it indicates that lease-market is providing access to land for the poor landless households.

3.3 Regional analysis of leasing-in in Uttar Pradesh

Table 3.4 presents distribution of lease-in households across size category for different region of Uttar Pradesh. In the western Uttar Pradesh, in the 2002-03 almost 72% and 18% of lease-in households were under marginal category and landless category respectively.

Table 3.4: Proportion of lease-in households among different Region across size of landholdings

Size-Class	Western U.P.		Central U.P.		Eastern U.P.		Southern U.P.	
	59 th Round	70 th Round	59 th Round	70 th Round	59 th Round	70 th Round	59 th Round	70 th Round
Landless	17.73	28.49	6.2	2.55	4.29	6.85	0	15.25
Marginal	71.9	60.09	80.64	93.81	89.89	81.44	71.96	53.92
Small	6.99	9.05	11.19	3	3.74	11.11	20.27	27.82
Semi-medium	2.15	2.17	1.97	0.64	1.55	0.44	7.78	3.01
Medium	0.47	0.22	0	0	0.54	0.14	0	0
Large	0.76	0.00	0	0	0	0.01	0	0
Total	100	100	100	100	100	100	100	100

Source: Calculated from unit level data-NSS 59th round & 70th round, Schedule 18.1

Note: In the medium and large category some figure has zero may be due to less/inadequate sample size.

Though the western region has the largest proportion of landless households in 2012-13, it also has a significant proportion of household in the marginal and small category. On the other hand, in the eastern Uttar Pradesh, the proportion of lease-in households under marginal and landless category were about 90% and 4.3% respectively. In this region, almost 99.4% of lease-in households are concentrated in the category of the landless, marginal and small group of lease-in households combinedly.

In the western Uttar Pradesh, 10.4% of households were under other larger category (excluding landless and marginal). The proportion of lease-in households in the western region in the semi-medium, medium and large category were 2.15%, 0.47%, 0.76% respectively in 2002-03. The proportion of households lease-in under landless, small and semi-medium category in this region has increased from 17.7% to 28.5%, 7% to 9.05% and 2.15% to 2.17% respectively from 2002-03 to 2012-13. In the medium category, the proportion of lease-in households is 2.17% in 2012-13 which is highest among all four regions except southern Uttar Pradesh. While in the eastern Uttar Pradesh, only 6% of lease-in households (besides landless and marginal) under the larger category of lease-in households. In this region, the proportion of lease-in household in the semi-medium, medium category were 1.55%, 0.54% respectively in 2002-03 which has declined from 2002-03 to 2012-13. In the large category, there were not any lease-in households in the eastern region. It indicates that in the western region comparatively more households in the larger category (who lease-in more than 2 hectares) are engaged in lease-in market while in the eastern Uttar Pradesh very negligible proportion of households under the large category of lease-in households. Thus, relatively large landholdings were leased-in the western region in comparison to the eastern region, this may be due to increasing the scale of operation to make agriculture surplus oriented and profitable.

However, in the eastern region, majority of lease-in households are smaller households in terms of size of landholdings leased-in. It also indicates the symptoms of reverse tenancy¹⁶⁷ in the western Uttar Pradesh. Studies in agricultural developed states

¹⁶⁷ In the reverse tenancy usually large landholder lease-in land to increase their scale of operation. This phenomenon is more prevalent in the Haryana and Punjab region.

show that regions like Punjab, Haryana and western Uttar Pradesh have brought out increasing incidence of self-cultivation and participation of medium and large households as lessees¹⁶⁸ in the lease market.¹⁶⁹ While in 2012-13, in both of the region the households lease-in under the semi-medium, medium and large category has declined. However, the households lease-in under the small category has increased, this may be due to the population pressure and the rural households intended to lease-in relatively larger size of landholding to make their holding agriculturally viable and profitable. That is why proportion under marginal category may be declined in both eastern and western Uttar Pradesh.

In the central Uttar Pradesh, in 2012-13 all the lease-in households are under the landless, marginal, small and semi-medium category. The households under marginal category in the central Uttar Pradesh have increased from 80.6% to 93.8% from 2002-03 to 2012-13. In this region marginal category is followed by small, landless and semi-medium households where the proportion of households is 3%, 2.55% and 0.6% respectively for 2012-13. The proportion of lease-in households under small and semi-medium category has declined significantly from 11.2% to 3% and 1.97% to 0.64% respectively from 2002-03 to 2012-13.

In the southern region also all of the lease-in households are under only four category namely landless, marginal, small and semi-medium. In the southern U.P. majority of lease-in households is in the marginal and small category where the percentage of lease-in households is 53.9% and 27.8% respectively. The reason behind the high proportion in the small category is due to non-profitability of marginal landholding as the productivity in this region is very low. In this region, the proportion of lease-in households in the marginal and semi-medium category has declined from 71.9% to 53.9% and 7.78% to 3% respectively from 2002-03 to 2012-13. However, the proportionate increase is seen in the landless and small category of lease-in households. We observe that decline in the proportion of households in the semi-medium category has resulted in the increased proportion of the small category of tenants households while the marginal households have shifted to the landless category.

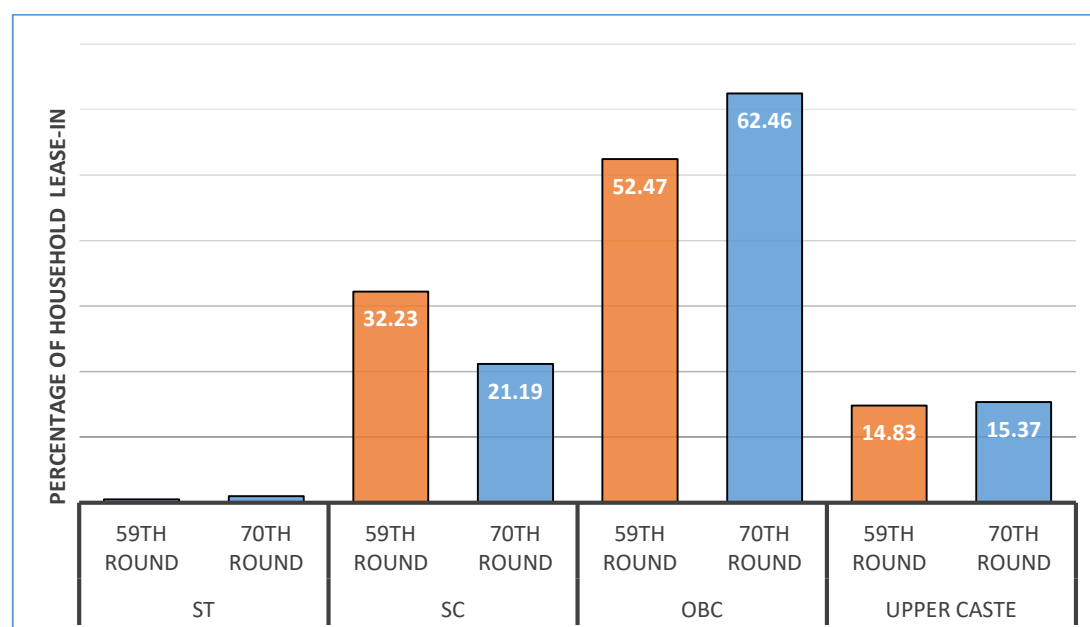
¹⁶⁸ Lessee- one who lease-in land

¹⁶⁹ Chadha, G.K., S. Sen, A., & Sharma, H. R. (2004). Op. cit., p.123

3.4 Distribution of leasing-in households in Uttar Pradesh across Social Groups

Figure 3.3 depicts the social group-wise proportion of households in the two time periods. The highest proportion of tenants lease-in households are in the OBC category where 62.5% of households lease-in during 2012-13 followed by scheduled tribes (21.2%), upper castes (15.37%), and scheduled tribes (0.98%). The proportion of lease-in households has declined in the scheduled caste category from 32.2% to 21.2% from 2002-03 to 2012-13, though having a significant proportion of the population in the lease-in category in respect to their percentage of the population. The proportion of households in the lease-in has increased for the other backward class and upper caste from 52.4% to 62.4% and 14.8% to 15.4% respectively.

Figure 3. 3: Households leasing-in land across social groups



Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

The declining proportion of dalit households in the lease-in is not a good signal; it shows the access to land through lease-in is declining for the dalit households and increasing for the other backward class and upper caste households. It may be due to the shifting of dalit tenant households in distress driven non-farm sector or engage in wage labour as they may have considered their small lease-in land unviable and unprofitable for agriculture. Another reason may be that these dalit household may find concealed tenancy more exploitative. The land lease market is operating in a concealed

manner which is more exploitative and more depressing to the continuing army of tiny and marginal tenants operator.¹⁷⁰

Table 3.5 gives proportion of lease-in area of land among different social groups in two periods. The OBC has the highest proportion of lease-in area which is 63.9% in 2012-13 followed by upper castes, SC and ST where the proportion of the lease-in area is 19.9%, 15.6% and 0.6% respectively. The OBCs have almost in the same proportion of lease-in households as well as their proportion is lease-in area.

Table 3.5: Lease-in area of land across Social groups

Social Groups	59 th round	70 th round
ST	0.12	0.60
SC	25.53	15.64
OBC	53.92	63.89
Upper Caste	20.42	19.87
Total	100	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Upper castes having only 15.4% lease-in households, but contribute 19.9% in the lease-in area. However, 21.2% of dalit households are engaged in lease-in, the proportion of lease-in area for dalits is only 15.6%. It shows the deplorable situation of dalits regarding access to land by means of tenancy whose proportion in lease-in area is significantly low in comparison to their proportion in the lease-in households. The proportion of lease-in area also declined significantly from 25.5% of 2002-013 to 15.6% of 2012-13 for the dalit lease-in households.

Table 3.6 gives data of average area (in hectare) lease-in per lease-in household among social group. In 2012-13. Highest average area lease-in per household was in the 'upper castes' category which is 0.48 hectare this was followed by OBCs, SCs and STs where average area lease-in per household is 0.38 hectare, 0.28 hectare and 0.23 hectare respectively.

¹⁷⁰Chadha, G.K., S. Sen, A., & Sharma, H. R. (2004). Op.cit., p.145

Table 3.6: Average area (Ha.) lease-in per household across Social Groups

Social Groups	59 th Round	70 th Round
ST	0.13	0.23
SC	0.40	0.28
OBC	0.52	0.38
Upper Caste	0.70	0.48
Total	0.51	0.37

Source: Calculated from unit level data-NSS 70th round and 59th round, Schedule 18.1

The highest average area among the ‘upper caste’ shows that this caste group has a good hold in the tenancy lease-in market. Average area lease-in per household in Uttar Pradesh has declined from 0.51 to 0.37 hectare from 2002-03 to 2012-13. Across all social groups, declining trend is seen in average area lease-in except schedule tribes. This decline in the average area may be due to the population pressure on land over the period.

Table 3.7: Distribution of households leasing-in land across different social groups

Size- class	ST		SC		OBC		Upper Caste		Total
	59 th round	70 th round	59 th round	70 th round	59 th round	70 th round	59 th round	70 th round	
Landless	0	2.26	27.09	17.08	46.3	25.28	26.61	55.38	100
Marginal	0.58	0.89	33.61	24.02	52.68	66.62	13.13	8.47	100
Small	0	0.08	27.07	6.04	57.33	86.67	15.6	7.21	100
Semi-medium	0	0	27.95	0.98	58.59	25.8	13.46	73.22*	100
Medium	0	0	0	0	57.48	48.4	42.52	51.6	100
Large	0	0	0	0	0	100	100	0	100
Total	0.47	0.98	32.23	21.19	52.47	62.46	14.83	15.37	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Note: * showing high figure may be due to inadequate sample size in NSS survey

Table 3.7 shows the distribution of households leasing-in land across different social groups for different landholding size. In the 2012-13 proportion of lease-in households under landless category highest for the Upper castes where 55.38% of households belong to landless category followed by OBCs, SCs and STs which is 25.28%, 17%

and 2.26 % respectively. If we compare the proportion of households under landless category from 59th round to 70th round, we found that proportion in the landless category has declined significantly in the SC and OBC, while this decline is contributed to increase in the upper castes households. In the marginal category in 2012-13, the highest proportion of lease-in households is found in the OBCs category where 66.6% of marginal households involved in the lease-in of land which is followed by SCs and upper castes where the 24% and 8.47% of marginal households are engaged in lease-in respectively. From 59th round to 70th round the proportion of marginal category of lease-in households declined in the social group of the SCs and upper castes from 33.6% to 24% and 13.1% to 8.7% respectively. In the small category of lease-in households, the proportion of OBC has risen sharply from 2002-03 to 2012-13, on the other hand, the proportion under other social groups has declined except STs. In the semi-medium and medium category of lease-in households, the proportion of upper castes has increased significantly from 13.4 % to 73.2% and 42.5% to 51.6% respectively. However, the proportion under this category declined for rest of the social groups.

Here, for the larger category of holding which includes semi-medium, medium and large category, the OBCs and upper castes have dominated in the lease-in market. On the other hand, STs and SCs are mostly confined in the landless, marginal and small category of lease-in households. The proportion of SC lease -in households was almost equally distributed in 2002-03 in the landless, marginal, small and semi-medium category. However, in the 70th round, it has declined sharply in the category of small and semi-medium. It means that dalit population is now more confined in the category of landless and marginal which is the bad situation for dalit in terms of access to land. While for ‘upper caste’ group the proportion of households in semi-medium and medium category increased dramatically. It shows that the upper caste households who have much resources started lease-in land of the larger size recently for surplus production by increasing the scale of operation for doing mechanised agriculture. Whereas, the dalits probably may be evicted from tenancy since the small plot of land was not becoming profitable and may have shifted to non- farm employment.

Table 3.8: Distribution of Households Leasing-in among different Social Groups

Social group	Landless		Marginal		Small		Semi-medium		Medium		Large		
	59th round	70th round	59th round	70th round	59th round	70th round	59th round	70th round	59th round	70th round	59th round	70th round	
ST*	0	30.35	100	68.91	0	0.74	0	0	0	0	0	0	100
SC	7.49	10.66	84.48	86.73	6.24	2.56	1.78	0.05	0	0	0	0	100
OBC	7.86	5.35	81.34	81.62	8.12	12.45	2.3	0.48	0.38	0.1	0	0.01	100
Upper Caste	15.99	47.65	71.74	42.19	7.82	4.21	1.87	5.53	0.99	0.41	1.6	0	100
Total	8.91	13.22	81.02	76.52	7.43	8.97	2.06	1.16	0.34	0.12	0.24	0	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

Note: * Inadequate sample-size.

From table 3.8, we find that the size-category wise distribution of households leasing-in among different social groups. In 2012-13, the scheduled caste lease-in households are more concentrated in landless and marginal category where the proportion of lease-in households in these category is 30.35% and 68.91% respectively. In the scheduled caste group only the minuscule proportion of households lease-in in the small category which is 0.74%. While for this social group there is almost lack of households lease-in in the semi-medium, medium and large category. In the 2002-03, almost all households surveyed were in the marginal category but in the 2012-13, in the marginal category it has declined while in the landless category it has increased. It means in the recent decade the access to land in terms of tenancy for the scheduled caste has declined since most of households lease-in became landless.

Among dalit lease-in households, most of this households is in the marginal category. The proportion of households under marginal and landless category is 86.73% and 10.66% respectively in 2012-13. On the other hand, the proportion of dalit households in the small and semi-medium group is 2.56% and 0.05% respectively. There is negligible proportion of dalit lease-in households in the medium and large category. In the 2002-03 in the small and semi-medium category the proportion of lease-in households was relatively high which was 6.24% and 1.78% respectively. However, in the 70th round the proportion of households in both category has declined sharply and the proportion of lease-in households under landless and marginal households increased from 7.49% to 10.66% and 84.5% to 86.7% respectively. This shows the population in the lower social hierarchy are becoming more landless and marginal regarding access to land through lease-in tenancy. For the OBCs 81.6% of

marginal households and 5.35% of landless households are lease-in. The proportion of households lease-in in the small category is highest among all social groups which is 12.45%. While the proportion under semi-medium, medium and large category is 0.48%, 0.1% and 0.01% respectively. The proportion under semi-medium and medium category has declined from 2.3% to 2.48% and 0.38% to 0.1% respectively. The proportion under small category lease-in households has increased from 8.12% to 12.45% due to decline in the category of semi-medium and medium lease-in households. In the 'upper caste' group, the proportion of lease-in households in the landless and marginal category is 47.6% and 42.2% respectively in 2012-13. In the small, semi-medium, medium and large group the proportion of lease-in households is 4.2%, 5.5%, 0.41% and 0% respectively. The proportion of Upper caste in the semi-medium and medium lease-in households is quite high as compared to other (SC, ST and OBCs) social groups. Though the proportion of landless households has increased from 16% to 47.7% from 2002-03 to 2012-13, this change was due to proportionate decline in the marginal category lease-in households. However, the proportion of households under the semi-medium category has increased drastically from 1.87% to 5.33% from 2002-03 to 2012-13. Though the significant proportion of lease-in households is in the category of landless, the proportion in other larger category like semi-medium and medium is quite high in comparison to other social groups. We can say that in the bigger size of lease-in agricultural land the upper caste dominates while on the smaller size of lease-in landholding dalit and tribes are in significant proportion. It means that the upper caste is in the favourable situation for the benefit of increasing scale of operation through the mechanisation of agriculture.

Table 3.9 pertains to the distribution of lease-in area among different social groups across different land size in 2012-13. In the scheduled tribes, almost 95% of the lease-in area is concentrated in the marginal category of lease-in households. Rest of the lease-in area of the schedule tribes lease-in households is in small category. In the scheduled caste also most of proportion of area lease-in is concentrated in the marginal and small category of lease-in households. The marginal category having 86.11% of lease-in area which is followed by small and semi-medium category of lease-in households where the proportion of area lease-in is 13.4% and 0.50% respectively.

Table 3.9: Distribution of Lease-in area among different Social Groups (2002-03 & 2012- 13)

Land-size	ST		SC		OBC		Upper Caste		Total	
	59 th Round	70 th Round	59 th Round	70 th Round	59 th Round	70 th Round	59 th Round	70 th Round	59 th Round	70 th Round
Landless	0	0	0	0	0	0	0	0.06	0	0.01
Marginal	100	94.62	70.65	86.11	64.33	51.38	47.17	44.33	62.48	55.67
Small	0	5.38	19.51	13.39	21.02	43.49	15.52	12.39	19.49	32.37
Semi-medium	0	0	9.84	0.5	11.38	2.9	6.45	39.16	9.97	9.71
Medium	0	0	0	0	3.26	2.09	7.5	4.05	3.29	2.14
Large	0	0	0	0	0	0.15	23.36	0	4.77	0.1
All	100	100	100	100	100	100	100	100	100	100

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

In the OBCs only 51.4 % of lease-in area is in the marginal category. (table 3.9) The proportion of OBCs in the small, semi-medium, medium and large category of lease-in area is 43.5%, 2.9%, 2.09% and 0.15 % respectively. In the ‘Upper caste’ only 44.33% and 12.4% of lease-in area in the marginal and small category respectively, while there are significant proportion of lease-in area in the semi-medium and medium category in comparison to all other groups which is 39.16% and 4.05% respectively. In the upper caste social group, significant proportion of lease-in area is in the medium and semi-medium category while in the SCs and STs group most of the lease-in is concentrated only in the marginal and small category which shows the disparity in the access to land through the means of lease-in tenancy.

If we compare ‘size-category wise distribution of lease-in area among different social groups’ data of 2002-03 to 2012-13, it is observed that the share of scheduled caste in the small category of lease-in area has increased little bit which was from nil to 5.38%, while the share in marginal category has declined. For the dalits, the marginalisation in terms of area has increased from 2002-03 to 2012-13. In 2002-03 only 70.6% of dalits lease-in area was under the marginal category, whereas in 2012-13, its proportion reached up to 86.1% while the proportion of small and semi-medium lease-in area has declined significantly from 19.5% to 13.4% and 9.84% to 0.5% respectively. Declined proportion of small and medium category of lease-in area shows that access to land for dalits lease-in households has declined in the lease-in market. In the OBCs, decline in the proportionate area is seen in the marginal, semi-medium and

medium category while the increase in the proportionate area is seen in the small category of lease-in households where more than two-fold increase in the proportion is seen from 21% to 43.5%. In the upper caste social group area under marginal, small, medium and large category has declined. The significant decline is seen in the proportionate area of large category which is declined from 23% to 0% from 2002-03 to 2012-13. This decline in the category has contributed in proportionate increase in the area of the semi-medium category which increased significantly from 6.45% to 39.16%.

3.5 Regional pattern of leasing-in in Uttar Pradesh across social groups

The table 3.10 and 3.11 presents an analysis of distribution of lease-in households across region for different social groups. In the 70th round, the proportion of scheduled tribes and scheduled caste lease-in households in the **western region** is lowest, where only 5.13% of tenants belongs to scheduled caste category while the proportion of OBCs and upper castes highest in the lease-in tenant households which combinedly contributes 94.63% of households. Thus, the OBCs which are the dominant caste group and the upper caste households which comprise the brahmans and thakurs lease-in tenants have a stronghold in the lease-in market thus having higher access to land compared to lower caste group which mainly comprise dalits and tribes. Thus, there is discrimination for access to land especially through lease-in tenancy.

Table 3.10: Distribution of Lease-in Tenants Households across Region of different Social Groups (2002-03)

Region	Schedule d tribe	Scheduled caste	SC+ST	Other backward class	Upper caste	OBC +Upper castes
Western	0.54	24.48	25.02	51.83	23.15	74.98
Central	0*	39.04	39.04	46.42	14.54	60.96
Eastern	0.81	34.01	34.82	57.42	7.76	65.18
Southern	0*	26.29	26.29	56.56	17.15	73.71

Note- * denotes no sample in NSS survey.

Source: Calculated from unit level data-NSS 59th round, Schedule 18.1

Table 3.11: Distribution of Lease-In Tenants Households across region for different Social Groups (2012-13)

Region	Scheduled tribe	Scheduled caste	SC+ST	Other backward class	Upper castes	OBC+ Upper caste
Western	0.23	5.13	5.37	59.31	35.31	94.63
Central	3.27	14.98	18.25	79.51	2.24	81.75
Eastern	0.31	36.96	37.27	56	6.72	62.72
Southern	0*	53.19	53.19	46.81	0*	46.81

Note- * denotes no sample in NSS survey

Source: Calculated from unit level data-NSS 70th round, Schedule 18.1

On comparing social group-wise distribution of lease-in tenants households across the region, it is observed that in this region the proportion of Scheduled caste lease-in households to total lease-in households has declined significantly from 24.58% to 5.13% from 2002-03 to 2012-13 while the proportion of upper caste increased significantly. This declining proportion of dalits shows the deplorable situation of dalits regarding access to land for livelihood and also raise the question of the discrimination in the lease market.

In the central region, dalits has the second lowest proportion in the lease-in households where 14.98% of dalit households are engaged in the lease-in market. In this region, OBCs which are dominant caste has highest proportion among all-region in the proportion of the lease-in market. Here the contribution of upper castes in the lease-in market is very less among all region whose proportion in the lease-in market is only 2.24%. In this region, the proportion of dalits declined significantly in the lease in market from 39% to 15% from 2002-03 to 2012-13 while the proportion of OBCs increased significantly.

In the eastern region, significant proportion of SC households are engaged in the lease-in market. The proportion of SCs in the lease-in households in this region is second highest among all four region after southern Uttar Pradesh where 37 % of lease-in households belongs to dalits. In this region the proportion of upper caste in the lease-in market is also very less where the contribution of upper caste lease-in households in the lease market is only 6.72%. In this region, the contribution of dalits in the lease-in

market has increased slightly from 34% to 37% while the contribution of upper caste has declined from 2002-03 to 2012-13.

In the southern region, SCs proportion in the lease-in households is highest among all region which is 53.2%, while in this region OBCs has dominated in the lease-in market after dalits where 46.8% of lease-in households belongs to OBC households. From 2002-03 to 2012-13, the proportion of dalits in this region increased dramatically from 26.3% to 52.2%. Here we see that in the agriculturally developed region (western Uttar Pradesh), the SCs and STs combinedly have very less access to land through lease-in of land. While in the agriculturally less developed states like southern and eastern Uttar Pradesh the dalits have maximum access to land through lease-in of households. While in the southern Uttar Pradesh, which is agriculturally unviable region the proportion of SCs is highest. This high engagement of lower caste group in this reason may be due to that higher and dominant caste households switched to other non-farm jobs due to unproductivity of land and the lower caste still have depended on agriculture through lease-in land since they did not have much surplus money or incentives to go in the non-farm sector.

Thus, in the agriculturally developed region (western Uttar Pradesh), there is less access of dalit households in the lease-in market while in the less developed agricultural region there is high access for dalits for the same, shows the high discrimination towards dalit in the developed region. Thus we can say that the developed agriculture does not ensure inclusiveness.

Table 3.12: Proportion of lease-in households across social groups in Western Uttar Pradesh (2012-13)

Social groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
ST	50	50	0	0	0	0	100
SC	50.58	44.46	4.58	0.37	0	0	100
OBC	10.25	75.76	13.28	0.40	0.29	0	100
Upper caste	59.10	32.37	3.055	5.39	0.08	0	100

Source: Calculated from unit level data-NSS 70th round, Schedule 18.1

Table 3.13: Proportion of lease-in households across social groups in Central Uttar Pradesh (2012-13)

Social groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
ST	32.24	67.76	0	0	0	0	100
SC	8.96	84.02	7.03	0	0	0	100
OBC	0.19	97.22	1.99	0.6	0	0	100
Upper caste	0	76.56	16.29	7.16	0	0	100

Source: Calculated from unit level data-NSS 70th round, Schedule 18.1

Table 3.14: Proportion of lease-in households across social groups Eastern Uttar Pradesh (2012-13)

Social groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
ST	34.06	59.96	5.98	0	0	0	100
SC	10.48	89.5	0.02	0	0	0	100
OBC	3.98	76.83	19.03	0.15	0	0.02	100
Upper caste	9.64	76.61	6.33	5.35	2.06	0	100

Source: Calculated from unit level data-NSS 70th round, Schedule 18.1

Table 3.15 Proportion of lease-in households across social groups Southern Uttar Pradesh (2012-13)

Social groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
SC	0	85.96	14.04	0	0	0	100
OBC	32.58	17.51	43.48	6.43	0	0	100

Note:- No sample for ST and Upper castes.

Source: Calculated from unit level data-NSS 70th round, Schedule 18.1

Table 3.12, 3.13, 3.14, 3.15 gives data about size category wise lease-in households across the social groups for 2012-13. In the western region, almost the whole scheduled tribes population is equally distributed among the landless and marginal category of lease-in households. For the scheduled caste lease-in households, their share in the landless, marginal, small and semi-medium is 48.8%, 44.5%, 4.6% and 0.4 % respectively. However, the share in medium and large category is nil. In this region, upper castes and OBCs has relatively fair position regarding lease-in households under relatively large category of landholdings. The OBCs has the lowest proportion in the landless category where only 10.2% of lease-in households under landless category. The distribution of lease-in households of OBCs in the marginal, small, semi-medium

and medium category is 75.8%, 13.3%, 0.4% and 0.3% respectively. The proportion of upper castes though highest in the landless category but they also contributes highest in the semi-medium category where 5.39% of lease-in households of the upper caste social group in this category in 2012-13.

In the central Uttar Pradesh, the proportion of scheduled tribes in the landless and marginal category of lease-in households is 32.2% and 67.8% respectively. 84% of lease-in marginal households under the scheduled caste category which is followed by landless and small category where the proportion of lease-in households is 8.96% and 7.03% respectively. In central Uttar Pradesh OBCs has the highest proportion in the marginal category of lease-in households where 97.22% of marginal households belongs to OBCs category. There is lack of any lease-in households for upper castes in the landless category, and their proportion in the marginal category is only 76.6%. While the proportion of 'upper caste' social group in the larger size group like small and semi-medium is relatively high in comparison to other social groups which is 16.3% and 7.16% respectively.

In the eastern Uttar Pradesh, the proportion of scheduled tribes in relatively high among other region which is 5.98%. Almost all scheduled caste lease-in households are concentrated in the landless and marginal category where the proportion of lease-in households is 10.48% and 89.5% respectively. On the other hand, the upper caste has less proportion in the landless category of lease-in households where only 9.64% of lease-in households is landless. Their proportion in the marginal, small, semi-medium, and category of lease-in households is 76.6%, 6.33%, 5.35% and 2.06% respectively. The proportion of OBCs in this region in small category is highest among all other social groups, while 76.8% of OBCs lease-in households is under marginal category.

In the southern region, Scheduled caste have 86% of marginal households followed by small category (14.04%). In this region, OBCs are fairly distributed among the landless, marginal, small and semi-medium category where their proportion of the OBCs lease-in households in this category is 32.6%, 17.5%, 43.5% and 6.43% respectively.

3.6 Terms of Lease/ type of contracts

The type of contract in the tenancy arrangement decides whether the mode of production in agriculture is semi-feudalistic or capitalistic. There is a continuing debate among scholars for the existing mode of production. Regional variation is noticed in the prevalent type of contracts in all over India. According to Amit Bhaduri (1973), the extent of sharecropping as a type of contract is one of the primary reasons which decide whether the region is characterised by the semi-feudal mode of production or capitalistic mode of production.¹⁷¹

“When a plot of land was leased-out by the sample households, the terms of lease on which the area was leased-out to the lessee households was recorded. Similarly, when a plot of land is leased-in by the sample households from lessor households, the terms of lease on which such plot was leased-in from the lessor households were recorded.”¹⁷² The terms of lease usually identified for fixed money, for share of produce, for service contract, for share of produce together with other terms, under usufructuary mortgage, from relatives under no specified terms and other terms. Leasing contract based on the share of crop meant that the owner of land received a certain specified share of the produce. In this crop sharing contract, the landowner neither participates in the work nor did he/she manage or direct or organise the agricultural operations on the plot of land which he/she had leased out. The net harvest is shared between the tenant and the landowner on some legally stipulated basis. This tenancy system is usually an enormously complicated one, may exist in variety of ways. In case one, whether the tenant works entirely on other’s land or also has some land of his own. In case two, whether the tenant uses its own working or fixed capital or the landowner spends entire amount for production, and case three is, at what extent the tenancy right is secure, is in practice.¹⁷³

In the Leasehold under service contract, an employer usually gives some land to an employee for cultivation in substitute for the services provided by him/her including labour input. In this case, the land can be retained till the employee continues to serve the employer and at the same time no other specific terms of lease was

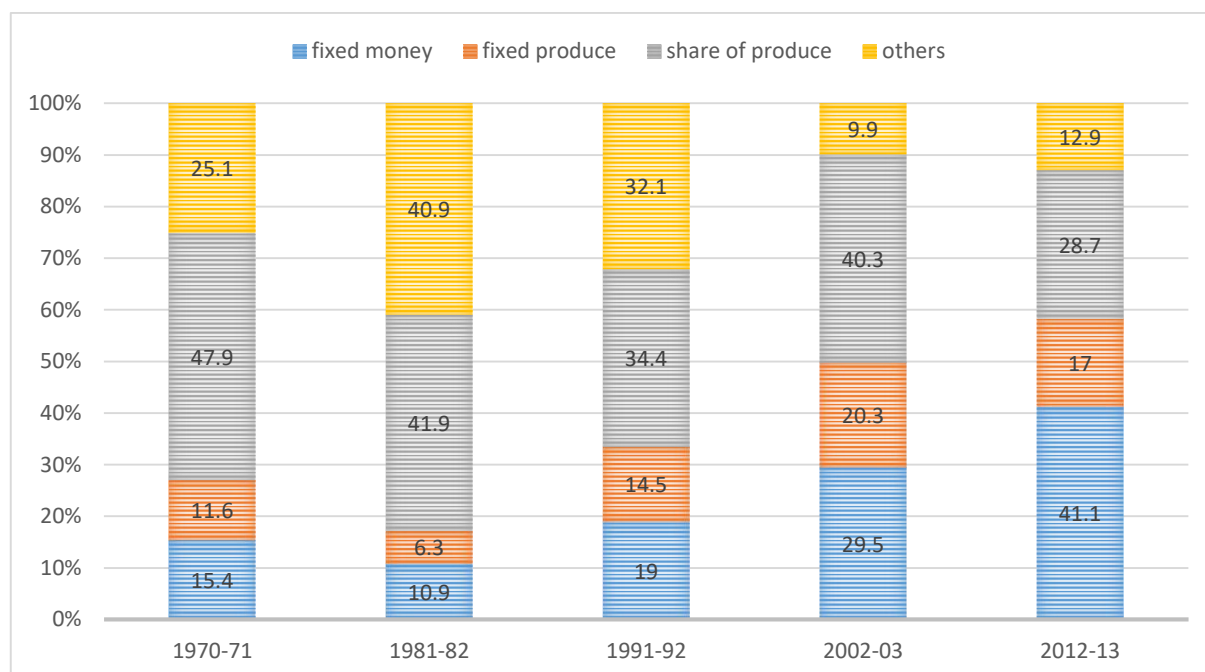
¹⁷¹ Bhaduri, Amit (1973). Op.cit., p. 120-137.

¹⁷² NSS Report No. 571: Household Ownership and Operational Holdings in India, P.13

¹⁷³ Bhaduri, A. (1973). Op. cit., 120-137.

contracted. The terms of lease for share of produce together with other terms, also include the cases of purchase agreement of the produce. The term by which the mortgagor retained the ownership of land till the foreclosure of the deed but the possession of the land was transferred to the mortgagee was considered as leasing-out under usufructuary mortgage. Sometimes, land owned by households was looked after and used by a close relative. For example, a person staying away from his village might own a piece of land in the village which was looked after and used by his brother's household. All such land owned by the households but looked after and used by some relative's household, under no contract of payment of any kind to the owner, was treated as leasing-out to 'relatives under no specified terms'. Lease in terms other than those mentioned above was treated as 'under other terms'. All rent-free leases, other than to (or from) 'relatives under no specified terms', was treated as lease 'under other terms'.

Figure 3. 4: Trend in distribution of leased-in operated area by terms of lease-India



Source- NSSO report on land and livestock survey, 70th round, Schedule 18.1

As apparent from figure 3.4 compound bar diagram, fixed money (41.1%) was found to be the most prevalent practice of leasing land followed by share of produce (28.7%) and fixed produce (17.0%) during 2012-13. It is found that, over the last five decades, the terms of lease against share of produce is slowly losing importance,

whereas fixed money and fixed produce as terms of lease is increasingly gaining importance.

Table 3.16: Distribution of Leased in Operated Area across different Type of contracts

Terms of Lease	Uttar Pradesh		All India	
	59 th Round	70 th Round	59 th Round	70 th Round
Fixed money	23.8	26.9	29.5	41.1
Fixed produce	12.9	13.2	20.3	17
Share of produce	52.9	36.9	40.3	28.7
From relatives under no specific terms	5	5.6	4	7.6
Other terms	5.4	17.3	5.9	5.3

Source: Calculated from unit level data-NSS 59th round and 70th round, Schedule 18.1

The table 3.16 shows the proportion lease-in operated area across different type of contracts or terms of lease. On the all India level the proportion of fixed money lease-in operated area to total leased -in area is 41.1% in 2012-13. While in 2002-03, the share of fixed money 29.5% it shows that the proportion of fixed money terms of lease has an increasing trend and its share has increased significantly. In Uttar Pradesh too the share of fixed money terms of lease has increased from 23.8 % to 26.9% from 2002-03 to 2012-13. The proportion of fixed produce terms of lease has declined on the All India level from 20.3% to 17%, but it has increased slightly in Uttar Pradesh from 12.9% to 13.2% from 2002-03 to 2012-13.

Declining trend of share of produce is seen on the all India level; it became 28.7% in the 2012-13 while it was contributed 40.3% in the 2002-03. Terms of lease under share of produce also declined significantly in the Uttar Pradesh; its share became 36.9% in 2012-13, while its share was 52.9% in the 2002-03. The terms of lease ‘from relatives under no specific terms’ is slightly increasing over the period in Uttar Pradesh where it has increased from 5% to 5.6% from 2002-03 to 2012-13. However, this terms of lease, on the all India level, increased significantly from 4% to 7.6%. The reason behind increase of terms of lease of ‘from relatives under no specific terms’ may be due to the increasing households migration for job/ non-farm businesses etc. in that case people used to give their land to close relatives. The terms of lease under other terms

has increased dramatically in Uttar Pradesh. 'Other' category terms of lease include service contract, under usufructuary mortgage, for share of produce together with other terms etc. the terms of lease under other terms has declined on the all India level from 5.9% to 5.3%. Thus, there is considerable variation in the lease market where some are dominated by fixed rent/fixed produce while some are dominated by the share of produce. The system of contract rent in cash has emerged to minimise the risk of uncertainty of returns through rents.¹⁷⁴

3.6.1 Lease-in Contracts across region

Table 3.17 presents data on terms of tenancy for the two rounds namely 59th round and 70th round of different region. The proportion of operated area under fixed money contract of the western Uttar Pradesh has increased significantly from 34.4% to 60% from 2002-03 to 2012-13. The proportion of lease-in area under fixed money had declined in all region except western Uttar Pradesh. Highest decline under the fixed money is seen in the southern Uttar Pradesh where it has declined from 25.12% to 3.78% from 2002-13 to 2012-13. Significant decline in the proportion of fixed money is also seen in the eastern Uttar Pradesh where the lease-in operated area under this category has declined from 24.7% to 10.2% while moderate decline is seen in the central Uttar Pradesh.

Proportion of area lease-in in the fixed produce terms of lease had declined in the western Uttar Pradesh from 14.3% to 6.2% from 2002-03 to 2012-13 while its proportion has increased in all other region. Highest increase is seen in the southern and the central Uttar Pradesh while very insignificant increase is seen in the eastern Uttar Pradesh. The proportionate area under share of produce terms of lease had declined in the all NSSO region of Uttar Pradesh. In the western region, it has declined from 37.4% to 27%. In the eastern and southern significant decline is seen in the proportion of lease-in operated area under the share of produce terms of lease.

¹⁷⁴ Diwakar, D. M. (2000). Agrarian Transformation in Uttar Pradesh. *Journal of Social and Economic Development*, Vol. III, No, I, (2000), p. 124.

Table 3.17 : Leased in Operated Area by Terms of Lease across Region (2002-03 & 2012-13)

Terms of Lease	Western U.P.		Central U.P.		Eastern U.P.		Southern U.P.	
	2002-03	2012-13	2002-03	2012-13	2002-03	2012-13	2002-03	2012-13
Fixed money	34.41	59.99	9.12	7.03	24.75	10.23	25.12	3.78
Fixed produce	14.28	6.17	14.81	26.89	11.51	12.05	9.46	31.56
Share of produce	37.42	27.03	65.7	49.49	61.52	36.94	61.52	31.97
For service contract	0	0	0	0	0.21	0	0	0
Share of produce together with other terms	3.45	5.32	5.74	0.14	0.9	28.65	0	0
Under usufructuary mortgage	0	0	0	0	0.54	0	0	0
From relatives under no specific terms	10.43	0	3.44	5.65	0.2	8.45	0	0
other terms	0	1.72	0.97	10.8	0.43	3.68	3.91	32.69
TOTAL	100	100	100	100	100	100	100	100

Source: Calculated from unit level data-NSS, 59th round and 70th round, Schedule 18.1

However, the decline in eastern Uttar Pradesh under the share of produce lease-in area is due to increase in the share of ‘share of produce together with other terms’ terms of lease which is more related to the share of produce but not exactly same. The terms of lease under ‘share of produce together with other terms’ has increased significantly in the eastern Uttar Pradesh from 0.9% to 28.65 %. It shows that the semi-feudal characteristics in the eastern Uttar Pradesh is still continuing.

In the 59th round, the proportion of lease-in operated area under ‘usufructuary mortgage’ terms of lease was only confined to Uttar Pradesh where only 0.54% of lease-in operated area under this terms which became negligible in 2012-13. Almost this situation is also seen in case of terms of lease ‘for service contract’ where only 0.21% of lease-in operated area was under this only in the eastern Uttar Pradesh but which became negligible in recent NSSO survey. It means terms of lease under service contract and usufructuary mortgage became obsolete over the period in the eastern Uttar Pradesh since it were more exploitable in character in comparison to other terms of lease.

Regarding lease-in ‘from relatives under no specific terms’ proportion of lease-in operated area is highest in the eastern Uttar Pradesh where 8.45% of lease-in operated area under this terms of lease which is followed by the central Uttar Pradesh 5.65%

where 5.65% of lease-in operated area under this terms of lease. The proportion of area under 'from relatives under no specific terms' terms of lease is negligible in the western and the southern Uttar Pradesh. The terms of lease 'from relatives under no specific terms' has declined from 10.4% to negligible in the western Uttar Pradesh from 2002-03 to 2012-13 while it has increased in the central and eastern Uttar Pradesh. The proportion of lease-in operated area under 'other' terms of lease is highest in the Southern Uttar Pradesh where 32.7% of lease-in operated area is under this terms of lease in 2012-13.

Share of produce 'bataidari' is being replaced by fixed money or fixed share of the produce. It shows that the lease market is becoming more regressive for the tenants. In case of share of produce, the lessors used to bear a part of the risk as they got a share of the produce. Now when they lease out on fixed rent¹⁷⁵, they bear no risk as such as the lessee have to pay certain amount of rent either in the form of cash or produce irrespective of amount of production. Thus, all the risk is to be borne by the household who lease-in land. Leasing-in is becoming more exploitative since in case of crop failure or at very low production tenants will have to borrow to meet the cash or requirement of fixed produce. In the fixed rent tenancy, lessors demand cash in advance. Due to inability to pay in advance, the poorest among tenants are being forced out from the lease-market if they don't pay in advance. As an outcome of this, only those who are relatively more resourceful can get the land on lease.¹⁷⁶ Thus, the fixed rent or fixed produce tenancy also leads to the eviction of the poorer tenants from the lease-in market.

3.6.2 Lease-in contract among Social Groups

Table 3.18 analyses the different type of lease contract for the lease-in household among different social groups. In the 70th round (2012-13), upper caste household has the highest share (54.8%) in the fixed rent contract among all social groups which is followed by the OBCs. However, the dalit household has the least share in the fixed rent contract. Only 27.4% of dalit lease-in households participate in the fixed rent type of contract. The proportion of Upper caste households and OBCs in the fixed rent

¹⁷⁵ Fixed rent comprise both fixed money or fixed produce.

¹⁷⁶ Shankar, Kripa (1999). Tenancy Reforms: Rhetoric and Reality, *Economic and Political Weekly*, Vol. 34, No. 46/47 (Nov. 20-26, 1999), pp. 3264-3265

contract has increased from 40.3% to 54.8% and 34.5% to 44% respectively in the two following rounds.

Table 3.18 : Leased-in Households across Terms of Lease by Social Groups (2002-03 & 2012-13)

Social groups	Fixed rent ¹⁷⁷		Share of produce ¹⁷⁸		From relatives under no specified terms		Other terms		Total
	59th Round	70th Round	59th Round	70th Round	59th Round	70th Round	59th Round	70th Round	
STs*	38	1.17	62	97.86	0	0.97	0	0	100
SCs	27.41	26.25	70.74	51.66	0.69	9.97	1.16	12.13	100
OBCs	34.47	44.06	62.83	47.76	1.2	7.2	1.49	0.96	100
Upper Caste	40.28	54.79	50.7	30.16	8.01	10.22	1	4.82	100

Source: Calculated from unit level data-NSS, 59th round and 70th round, Schedule 18.1

*Inadequate sample-size

Dalit households have the highest proportion in the share of produce contract after scheduled tribes in 2012-13. Almost half of the dalit lease-in household are engaged in the sharecropping in 70th round. The proportion of dalit lease-in household in sharecropping has declined from 2002-03 to 2012-13.

However, this decline is not contributed to the proportionate increase in the fixed rent contract. It shows that the upper caste household and OBCs are more engaged in the fixed rent, even the share of fixed rent is increasing for these households. It may be due to their risk borne ability since in the fixed rent contract, the whole risk is borne by the lease-in household. Dalit and tribal lease-in household is mainly engaged in the sharecropping where the risk is borne jointly by the lessors and lessee household. Since these depressed household cannot take much risk due to their poverty, less risk-bearing capacity and low asset base preferably engaged in the share of produce lease market. Thus, according to risk-bearing capacity different household choose different contracts of lease.¹⁷⁹

¹⁷⁷ Fixed rent includes fixed money and fixed produce both

¹⁷⁸ Share of produce also included 'share of produce with other terms'

¹⁷⁹ H.R. Sharma (2010), Op.cit. p .92

Table 3.19 : Leased-in Households across Terms of Lease by Social Groups for different regions of Uttar Pradesh (2012-13)

Social groups	Fixed Rent	Share of Produce	From relatives under no specified terms	Other terms	Total
WESTERN UTTAR PRADESH					
Scheduled tribe*	1.31	98.69	0	0	100
Scheduled caste	58.48	26.83	0	14.7	100
Other backward class	56.75	40.57	1.67	1.01	100
Upper Caste	60.39	32.24	5.54	1.84	100
CENTRAL UTTAR PRADESH					
Scheduled caste	12.77	71.61	0.42	15.2	100
Other backward class	60.29	34.85	3.03	1.83	100
Upper Caste	72.12	27.88	0	0	100
EASTERN UTTAR PRADESH					
Scheduled tribe*	0	90.94	9.06	0	100
Scheduled caste	28.37	56.89	14.74	0	100
Other backward class	18.67	65.69	15.31	0.33	100
Upper Caste	24.69	22.34	33.78	19.2	100
SOUTHERN UTTAR PRADESH					
Scheduled caste	0.89	10.21	0	88.9	100
Other backward class	83.99	16.01	0	0	100

Source: Calculated from unit level data-NSS, 70th round, Schedule 18.1

Note: Central UP- no sample for STs, Southern UP- no sample for STs and upper caste, *inadequate sample size.

Leased-in households across terms of lease by social groups for different regions of Uttar Pradesh is given in table 3.19. In the western Uttar Pradesh, highest proportion of Upper caste lease-in household under the fixed rent contract. In the eastern region, the proportion of household under fixed rent is less across all social groups in comparison to the western Uttar Pradesh. It shows that the households of the eastern region has less risk-bearing capacity in comparison to the western region. In this region, even significant proportion of upper caste lease-in household has contracted in the 'from relative under no specified terms' and 'other terms'. In the eastern region, the share of upper caste household in the sharecropping is lowest.

On the other hand, the proportion of other social groups in this lease contract for STs, OBCs and SCs is 91%, 66% and 57% respectively. Other significant factors which determined the lease contract are the area under the non-food crops. The region where significant area lies under the non-food grain crops, the prevalent contract usually fixed rent. Thus, the nature of crop grown also significantly affects the lease

contract.¹⁸⁰ In the Western region, since there is capitalist farming, farmers are more inclined to grow the commercial non-good grains crops. In consequence of this, fixed rent contract is common among all social groups but highest in the upper caste.

However, in the eastern region, may be due to the prevalence of food grains crop, the upper caste not involved in the fixed rent. It may be also conferred that since in the eastern region food grain production is common so upper caste less likely to have fixed rent contracts. Though these household has risk-bearing capacity, so less involved in the sharecropping. Only 22.3% upper caste households of eastern region are involved in the sharecropping. In this region, schedule caste has the highest proportion in the fixed rent tenancy may be due to relatively better situation of dalits regarding risk-bearing capacity. In the central region, significant proportion of the OBCs and Upper caste lease-in households are under the fixed rent contracts. On the other hand, the dalits are confined in the sharecropping due to its low-risk bearing capacity. In the Bundelkhand region, almost 90% dalit households are concentrated in the 'other terms' lease in contracts, while the majority of OBCs are in the fixed rent contracts.

3.7 Conclusion

Following conclusion can be drawn from the above analysis-

- Tenancy has slightly declined in the Uttar Pradesh as against the all India trend where it has increased slightly. The proportion of households lease-in in Uttar Pradesh was 12.78% in 2002-03, and it has declined to 10.05% in 2012-13. It may be due to various reason like unprofitability of agriculture, growing distress driven non-farm employment, concealed tenancy due to tenancy laws etc.
- Tenancy¹⁸¹ has declined in Uttar Pradesh from 12.78% to 10.05% as against the all India trend where it has increased from 11.51% to 13.1% (2002-03 to 2012-13). It may be due to various reason like unprofitability of agriculture, rising wage labour, growing distress driven non-farm employment, concealed tenancy due to tenancy laws etc.
- Tenancy in terms of lease-in area to total area operated and lease-in area to total area owned has declined significantly in all region of Uttar Pradesh except Eastern region where it has increased slightly. It shows the elimination of

¹⁸⁰ H.R. Sharma (2010), Op.cit. p. 95

¹⁸¹ Proportion of lease-in household to total household.

tenants in the agriculturally developed region like western and central region due to mechanisation etc. and increasing access to land in the eastern region through lease-in market.

- The proportion of lease-in households under the landless category has increased while in the other increasing land size-category the proportion of lease-in households has declined. In the 2002-03, only 8.91% of households were engaged in the lease-in while it has increased 13.22% in 2012-13. It shows that small plots are being lease-in, it means that lease –in is providing access to land for the poor landless households.
- In the western Uttar Pradesh, 10.4% of households were under large size category of lease-in land (excluding landless and marginal). On the other hand, in the eastern region, majority of lease-in households are smaller households in terms of size of leased-in landholdings. In the eastern Uttar Pradesh, only 6% of households (excluding landless and marginal) under larger category. It indicates that relatively large landholdings were leased-in the western region in comparison to the eastern region, this may be due to increase in the scale of operation to make agriculture surplus oriented and profitable. It also indicates the symptoms of reverse tenancy.
- The highest proportion of tenant lease-in households is in the OBC category (62.5%) in 2012-13. The proportion of lease-in households has declined significantly for scheduled caste category from 32.2% to 21.2% from 2002-03 to 2012-13. Upper caste has significantly more proportion of lease-in area (19.9%) in comparison to their proportion in the lease-in households (15.4%). It shows the higher access of upper caste in the lease-market.
- In the 70th round, the proportion of SC lease-in households has declined sharply in the category of small and semi-medium. It reflects that dalit population is now more confined in the category of landless and marginal which is the bad situation for dalits in terms of access to land.
- In the 70th round, the proportion of scheduled tribes and scheduled caste lease-in households in the western region (capitalistic tenancy) is lowest whereas, the proportion of OBCs and upper castes is highest in the lease-in tenant households which combinedly contributes 94.63% of households. Whereas, in the eastern region (subsistence tenancy), significant proportion of SC households are

engaged in the lease-in market. Thus we can also say that the developed agriculture does not ensure inclusiveness.

- Terms of lease under share of produce, declined significantly in the Uttar Pradesh whereas lease-in operated area under fixed money/ fixed produce increased. It reflects the emerging nature of capitalist agriculture in Uttar Pradesh. Regionally, the proportion of lease-in operated area under fixed money is highest in the western Uttar Pradesh and also increased significantly from 2002-03 to 2012-13. Though in the fixed money, the risk is born by only lessee households, this also led to the eviction of the poorer tenants. The proportion of operated area under share of produce has declined in all region of Uttar Pradesh. However, the decline in eastern Uttar Pradesh under the share of produce lease-in area is due to increase in the share of ‘share of produce together with other terms’ terms of lease. It shows that the semi-feudal characteristics in the eastern Uttar Pradesh are continuing.
- In 2012-13, upper caste household has the highest share (54.8%) in the fixed rent contract among all social groups which is followed by the OBCs, even the proportion of these social groups in the fixed rent contract has increased over two periods. However, the dalit household has the least share (27.4%) in the fixed rent contract. Dalit households have the highest proportion (52%) in the share of produce contract after scheduled tribes in 2012-13. Since these depressed household cannot take much risk due to their poverty, less risk-bearing capacity and low asset base preferably engaged in the share of produce lease market.
- In the Western Uttar Pradesh, since farmers are more inclined to grow the commercial non-good grains crops; fixed rent contract is common among all social groups but highest in the upper caste. However, in the eastern region relatively less share in the fixed rent contract among all social groups.

CHAPTER-4

DEBT, OUTPUT AND MARKET LINKAGE IN UTTAR PRADESH

4.1 Introduction

Indebtedness and the output linkages are the major factors which determine the mode of production of any region. Sometimes indebtedness also seen as an outcome of the mode of production and output linkage. According to Amit Bhaduri (1973), there are four prominent feature of the semi-feudalism type of agriculture which is (a) sharecropping, (b) perpetual indebtedness of the small tenants, (c) concentration of two modes of exploitation, namely usury and land ownership, in the hands of the same economic class and (d) lack of accessibility for the small tenant to the market.¹⁸² So in this way, the study of access to credit and the market linkage is critical to know the situation of agricultural households and to find out the appropriate mode of production.

Indebtedness is a growing concern for the agricultural households in rural India which often promotes suicide and also responsible for agrarian distress in rural India. Access to land is closely linked with indebtedness. Often, indebtedness leads to the alienation of land for the poor rural household. Thus, here comes the role of credit in the rural economy. The credit facilities can transform the rural economy from subsistence-based agriculture to dynamic profit making agriculture. The credit facility was introduced by the government as an institutional credit not only for poverty reduction but also to protect farmers from moneylender's exploitation. Various measure initiated in the 1980's, to improve the outreach of credit institutions, besides enhancing capital formation and production in agriculture, has been instrumental in alleviating poverty in the country. In this way improving the efficiency of our rural credit system has been the priority of our planning process.¹⁸³

Even today, after the seventy years of independence, significant proportion of credit in the rural areas comes from the village moneylenders and sahkars who used

¹⁸² Bhaduri, Amit (1973). Op.cit.,p. 120-21

¹⁸³ Puhazhendhi, V., and B. Jayaraman.(1999). Rural credit delivery: Performance and challenges before banks. *Economic and Political Weekly*: 175-182. P.175

to take usurious interest rate from the rural households. It leads to most of the time to do forced labour on their land or sell their land if not repaying the debt amount for the member of agricultural households. In the 1960's significant step taken by the government when the commercial banks was nationalised. Later on, national agricultural bank for rural development and regional rural banks were also established to get rid of from the clutches of moneylender and to provide credit on the affordable interest rate with giving flexibility for the repayment. The upper stratum of the rural sector consisting of landlords and rich peasants used to take credit for investment in their substantial holdings on which they mainly produce for market secure or get lion's amount of credit from the institutional source.¹⁸⁴

One interesting phenomenon is seen in the Indian agriculture that the region which covered by irrigation facilities have less demand for agricultural credit facilities whereas the region which is dependent on the rain-fed agriculture experienced more demand of agricultural credit. For the availing institutional credit education of the households also plays a crucial role. The households having member with relatively high education have more accessibility to institutional credit, on the other hand, in the households having no educated member dependent upon the sahuakar for availing the loan. Sahuakars used to demand the usurious interest and failing to which compelled the farmers even to sell their land, and in this way, farmers come in the net of perpetual indebtedness. Thus, to analyse the pattern of institutional and in-institutional credit would be essential to see the pattern of indebtedness.

The crime record bureau data of 2015 shows that indebtedness is the important cause of suicide in the rural agricultural households. Suri (2006), also stated that the growing cost of cultivation and declining returns are the primary reason for indebtedness induced suicide.¹⁸⁵ Srijit Mishra (2014) observed that male suicide peaks in 2008 and 2012 where the suicide rates for male farmers was higher than the suicide rate for male non-farmers by 40%.¹⁸⁶

The green revolution characterised by intensive agricultural practices involving

¹⁸⁴ Tandon, P. K. (1988). A profile of rural indebtedness. *Social Scientist* (1988): 49-63. P. 49

¹⁸⁵ Suri, K.C (2006). Political Economy of Agrarian Distress. *Economic and Political Weekly*, 41(16): 1523-1529.

¹⁸⁶ Mishra, Srijit.(2014). Farmers' suicides in India, 1995–2012: measurement and interpretation. *London: Asia Research Centre*, P. 7

substantial investment in the valuable inputs. It leads to the process of differentiation among the agricultural farmers. The growing indebtedness was the vital element of increasing differentiation.¹⁸⁷

For availing the small amount of credit facility, microfinance can be best alternative for the rural farmers. Microfinance helps those poorer or the marginalised section for getting loans who otherwise not able to get loan from other formal agencies due to limited assets to pledge. Microfinance not only promotes the saving but also promotes collectivism in the rural economy. In the micro-finance, group acting as a collateral substitute. This framework also overcomes the perverse problem of arranging collateral by the poor. Microfinance must be realised as a means or an instrument for development. It should not be an end in itself.¹⁸⁸ Thus, the typical micro finance clients are low-income persons who do not have access to formal financial institutions. Micro Finance is provided by NGOs, credit unions, co-operatives, private commercial banks and non-bank financial institution.¹⁸⁹

Indebtedness is closely associated with the market linkage of output. Input dealers and the moneylender has a stronghold in the rural economy. Most of the times, due to non-repayment of loan to moneylender or input dealers, the farmers compelled to sell their output to them at the unfair prices. Otherwise, they would sell in the mandis at the very bargaining and fair price. Since long time moneylenders are major player in the informal source of credit.¹⁹⁰ It also reflects the interlocking factor market in the rural areas.

Thus, it is very important to study the indebtedness pattern, pattern of formal and informal credit and the production linkage to market. So, this chapter would focus on all these institutions in the light of mode of production of the region.

¹⁸⁷ Tandon, P. K. (1988). Op.cit., P. 49

¹⁸⁸ Satish, P. (2005). Mainstreaming of Indian microfinance. *Economic and Political Weekly*: 1731-1739. P.1731

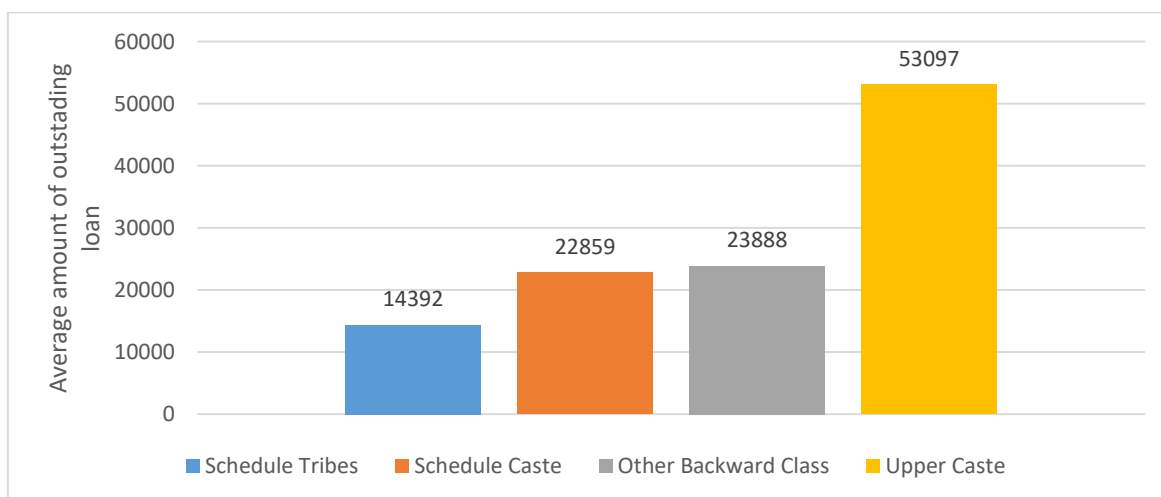
¹⁸⁹ Singh, Mohinder and Monika Dara (2007). Developing Rural Poor through Micro Finance: Problems and Prospects. *The Indian Journal of Political Science*: 57-63. P.57

¹⁹⁰ Varghese, A. (2005). Bank-moneylender linkage as an alternative to bank competition in rural credit markets. *Oxford Economic Papers*, 57(2), 315-335.

4.2 Indebtedness of agricultural households in Uttar Pradesh

Figure 4.1 presents data about average amount of outstanding loan (Rupee) across social groups in Uttar Pradesh of agricultural households. An agricultural households for this survey was defined on the basis of two criteria. First is, those households which receive some value of produce more than Rs.3000/- from agricultural activities. These agricultural activities can include animal husbandry, fishery, bee-keeping, fodder crops, horticultural crops, cultivation of field crops, plantation, sericulture, poultry, piggery, vermiculture etc. Second is, those household having at least one member self- employed in agriculture either in the principal status or in subsidiary status during last 365 days.¹⁹¹

Figure 4 1: Average amount of outstanding loan (Rs.) per agricultural household across Social groups in Uttar Pradesh (2012-13)



Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

According to NSSO report, the percentage of agricultural households of the total rural households is 74.8%.¹⁹² The average amount of outstanding loan per agricultural households is highest among upper caste where this loan per households amounts to Rs. 53097 per household which is followed by other backward classes. Least amount of outstanding loan is seen among the schedule tribes where the average amount of outstanding loan is only Rs. 14392. Among the dalits, the average amount of

¹⁹¹ NSSO report-33 (70th round), Key Indicators of Situation of Agricultural Households in India, MOSPI, p.3

¹⁹² NSSO report-33 (70th round), Key Indicators of Situation of Agricultural Households in India, MOSPI, p.10

outstanding loan is Rs. 22859 which is the second lowest among social groups after scheduled tribes. The average amount of outstanding loan taken by agricultural households is also determined by the asset one has to pledge against the sanction of the loan. Thus, the upper caste having relatively more assets has a large amount of outstanding debt. The dalit and tribes are having less assets to pledge and often not able to get loan.

Table 4.1: Average amount of outstanding loan and proportion of households taken outstanding loan of agricultural households across region (2012-13)

Uttar Pradesh: Region	Average amount of outstanding loan per agricultural household (Rs.)	Percentage of Households taken loan
Western U.P.	55508.13	57
Central U.P.	18045.74	50.88
Eastern U.P.	10894.44	29.59
Southern U.P.	30849.42	44.23
Total	27292.37	43.81

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4.1 presents average amount of outstanding loan and proportion of households taken outstanding loan of agricultural households across different region in Uttar Pradesh. In all Uttar Pradesh, the average amount of outstanding loan is Rs. 27292.4. The highest average amount of outstanding loan per agricultural household is reported in the western Uttar Pradesh where this amount is Rs. 55508 followed by southern Uttar Pradesh and central Uttar Pradesh where average amount of outstanding loan is Rs. 30849.4 and Rs. 18045.7 respectively.

Lowest average amount of outstanding loan per agricultural household is reported in the eastern Uttar Pradesh where this amounts to only Rs. 10894. Low amount of outstanding loan in the eastern Uttar Pradesh shows that this region may have not serious about the investment in the agriculture, while highest amount of outstanding in the western region shows that this region used to invest more in agriculture due to the influence of green revolution, commercial farming and capitalist farming. The proportion of agricultural households taken loan is also high in the western Uttar Pradesh where 57% of total agricultural households have taken loan in 2012-13, on the other hand, in the whole Uttar Pradesh this proportion is 43.8%. Lowest proportion is seen in the eastern Uttar Pradesh where only 29.6% of agricultural households took

loan. The indebtedness may be also high in the western Uttar Pradesh due to the prevalence of cash crop agriculture and commercial agriculture. Cash crop agriculture usually grown mainly to export and produce at the higher cost. However, the food crops is produced at low cost and sold locally. Thus, the production of cash crop in the western region has been identified as an important reason for indebtedness. Farmers cultivating these crops are more prone to becoming indebted if one of their high-cost crops fails, as they have invested significantly more in their production, and then potentially, the cultivation of these crops makes them more vulnerable to global price fluctuations.¹⁹³

Table 4.2: Average amount of outstanding loan in Uttar Pradesh across landholding size (2012-13)

Land size class	Average amount of outstanding loan (Rs.)
Marginal	23025
Small	79726
Semi medium	145142
Medium	115869
Large	15175

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4.2 gives details of loan taken by farmers across land holding size in Uttar Pradesh. Among all land size class, the average amount of outstanding loan is highest in the semi-medium category of agricultural households where the average amount of outstanding loan is Rs. 145142 followed by medium and small category where the average amount of outstanding is Rs. 115869 and Rs. 79726 respectively. The lowest amount of outstanding loan is seen among the marginal and large category of agricultural households. There may be several reasons behind low average amount of outstanding loan among the large category of agricultural households. One reason for less debt for these households may be that they used to lease out their land since they have large size of landholdings so less concerned about investment. Another reason may be that they produce surplus and having much profit due to mechanisation on account of large scale of operation so they may have surplus for investment thus low dependency on taking loan. Whereas, the marginal farmers used to get less loan due to various reason like lack of information, insufficient collateral, small plots etc.

¹⁹³ Merriott, Dominic (2016). Op.cit., p. 217-227.

Table 4.3 presents the amount of outstanding debt for farmers across different landholding categories for four regions of Uttar Pradesh. Among the marginal category of households the highest average amount of debt per household is reported in the western region where the average amount of debt per household is Rs. 48345.

Table 4. 3: Average amount of debt per agricultural household by size class of farmers across region (2012-13)

Region	Marginal	Small	Semi medium	Medium	Large
Western U.P.	48345	113122	215811	249225.5	97674
Central U.P.	16868	59640	94693	53256	167
Eastern U.P.	9488	41315	72677	19988	8246
Southern U.P.	16385	83597	121069	45297	211245

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Under the marginal category, the debt per agricultural household is lowest in the eastern Uttar Pradesh where this amount is only Rs. 9488. Eastern region may have experienced low debt in the marginal category due to the tendency of less investment which is also characteristics of the semi-feudal mode of production. Apart from that, there might be other reason like lack of information or small property/ assets to keep as collateral since the farmers in the eastern region are relatively poor. In the small category of households, the highest amount of debt per agricultural household is seen in the western Uttar Pradesh followed by the southern Uttar Pradesh. In the southern Uttar Pradesh, the small farmers used to take loan for investment in fertilisers etc. since the land is not much productive there. In the semi-medium and medium category also highest amount of debt per agricultural household is seen in the western Uttar Pradesh. In the large category of agricultural households, the highest amount of debt per agricultural household is in the southern region where the amount of debt is Rs. 211245 followed by the western and eastern region.

Table 4. 4: Debt per household across social groups in different region (2012-13)

Region	SC	ST	OBC	Upper Caste
Western U.P.	40502	31608.5	41946.5	101434
Central U.P.	24084	9718	23512	14417
Eastern U.P.	707	6156	9529	22706
Southern U.P.	0	25526	27263	52218

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

In table 4.4 the scheduled caste amount to highest loan in the western Uttar Pradesh where the average amount of debt per household is Rs. 40502 followed by central Uttar Pradesh and Eastern Uttar Pradesh. Highest debt per household among Scheduled Tribes also reported in the western Uttar Pradesh. The lowest amount of debt per agricultural household among scheduled tribes is seen in the eastern Uttar Pradesh. In the western Uttar Pradesh, Other backward class has the maximum amount of debt per household among all social groups where the amount of debt is Rs. 41946.

Table 4. 5: Proportion of indebted households across region in different social groups (2012-13)

Social Groups	Western U.P.	Central U.P.	Eastern U.P.	Southern U.P.
SC	84.67	68.81	18.96	0.00
ST	57.97	34.38	28.43	35.42
OBC	51.79	61.13	31.32	39.88
Upper Caste	70.13	45.34	27.45	73.09
total	57.40	50.89	29.59	44.24

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4.5 deals with the proportion of agricultural households taken loan or indebted households of the different social group across the region. In the western region, scheduled caste has the highest proportion of indebted households where 84.7% of dalit households are indebted. In the Western Uttar Pradesh lowest indebtedness is seen among the other backward caste. In this region, jats¹⁹⁴ peasants have in dominant position.¹⁹⁵ Since jats and other caste comprises OBCs, who are in dominant position having less proportion of indebted households. In the central Uttar Pradesh also the highest proportion of indebted agricultural households is reported among the scheduled caste. Contrastingly, in the eastern Uttar Pradesh different situation is observed where lowest proportion of indebted agricultural households is seen among the dalit households where only 19% of agricultural households are indebted, while in this region highest proportion of indebted household is reported among the other backward caste. In the southern Uttar Pradesh, highest proportion of indebted household is reported among upper caste social group, while dalits has almost negligible proportion of indebted agricultural households.

¹⁹⁴ Jats traditionally held superior propriety rights.

¹⁹⁵ Lerche, Jens (1998). Agricultural labourers, the state and agrarian transition in Uttar Pradesh. *Economic and Political Weekly*, A29-A35. p. 30

Dalits have high indebtedness in terms of proportion in the agriculturally advanced regions like western and central Uttar Pradesh whereas, lowest proportionate indebtedness is observed in the same social group in the eastern and southern region (Bundelkhand region) of Uttar Pradesh. It shows that the dalits are highly vulnerable in terms of indebtedness in the agriculturally advanced region which is an important cause for suicide. Increasing tendency for the capitalistic farming of the cash/commercial crops makes prone this region highly indebtedness for the small poor farmers.

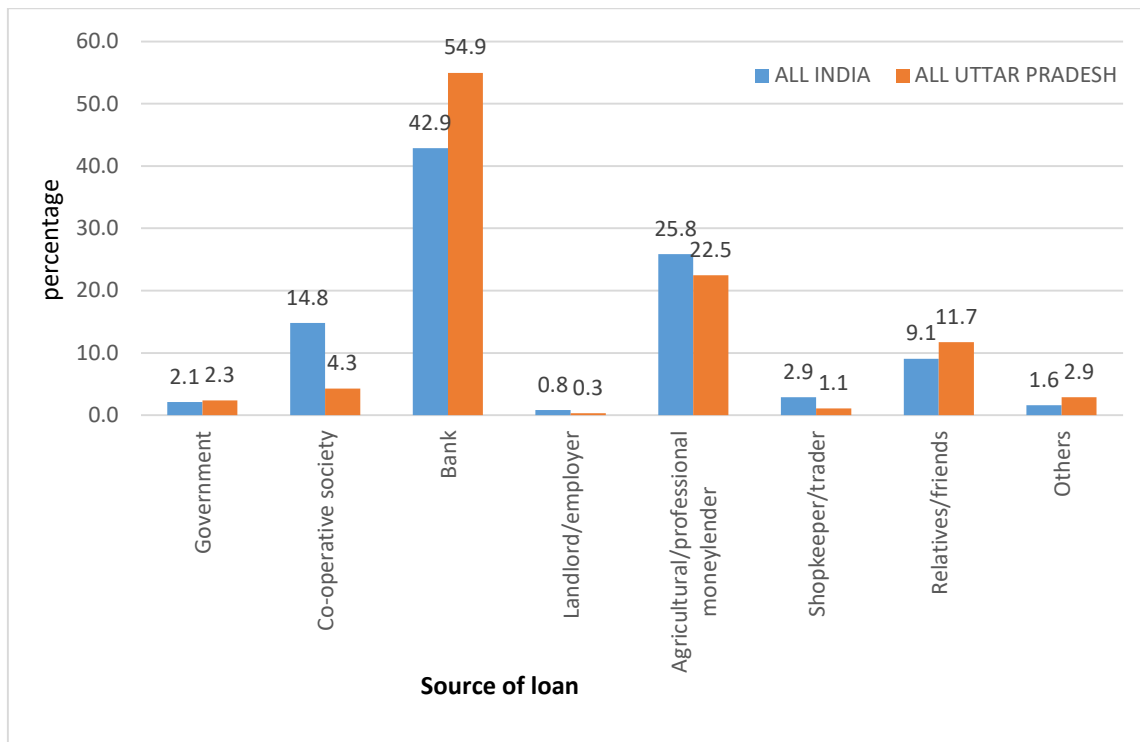
4.3 Source of loan

Figure 4.2 analyses the distribution of outstanding loans of agricultural households by source of loans. It also compares the sources of loans of agricultural households of Uttar Pradesh with all India. At all India level, institutional source¹⁹⁶ contributes about 60 per cent of the outstanding loans. The share of institutional loan in Uttar Pradesh is 61.5% which is almost same as the national level but it varies significantly across the component of institutional and non-institutional sources. In the Uttar Pradesh, the highest amount of outstanding loan is from the Banks which contributes 54.9% of the outstanding loan, while on the national level its contribution is 42.9%. The banking network expanded during the post-nationalisation period. Push and pull factors were the two important factor for the expansion of banking network. The pull factors are the large number of development activities taking place in the district and state which are complementary to each other and contribute to the opening of bank branches. The push factor is the policy decision of the state according to which formal credit is made accessible to all the regions and needy persons. This, policy decision corroborated by the political pressure has forced the opening of branches in the remote and unbanked area.¹⁹⁷

¹⁹⁶ In our analysis institutional sources comprises Bank, Co-operatives and government sources.

¹⁹⁷ Veerashekharappa. (1996). Rural credit in VIP districts: A study in Uttar Pradesh. *Economic and Political Weekly*, A123-A130

Figure 4.2: Proportion of outstanding loans of agricultural households by source of loans



Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

The second major source of outstanding loan in Uttar Pradesh is the agricultural and professional money lender which accounts for 22.5% of the total amount of outstanding loan. Another, major source of outstanding loan is the relative/friends which contributed 11.7% of the percentage of total amount of outstanding loan for this state. The outstanding loan from the cooperative society in the Uttar Pradesh is quite low in comparison to the all India average. The co-operative society contributes only 4.3% of the total amount of outstanding loan, on the other hand, its contribution on the all India level is 14.8%. The primary aim for the establishment of cooperatives in India is to save farmers from the exploitation and stronghold of the mahajans and sahuikars, but it has not well developed in the Uttar Pradesh. The proportion of the amount of outstanding loan from landlord/ employer is 0.3%, while the proportion of agricultural or professional moneylender is quite high which amounts to 22.5% of total amount of outstanding loan in Uttar Pradesh. It shows that the moneylenders have still stronghold in the rural area in terms of giving credit who used to give loan on the usurious interest. The proportionate source of outstanding loan from the government and shopkeeper or traders is 2.3% and 1.1% respectively.

Table 4.6: Distribution of outstanding loans of agricultural households by source of loans of Uttar Pradesh across region (2012-13)

Source of Loan	Western U.P.	Central U.P.	Eastern U.P.	Southern U.P.
Government	2.1	1.4	4.2	1.7
Co-operative society	4.5	6.0	2.9	1.5
Bank	54.4	52.2	47.8	84.4
Institutional Sources	61.0	59.6	54.9	87.6
Landlord/employer	0.1	0.2	1.2	0.0
Agricultural/professional moneylender	28.6	15.8	8.8	7.3
Shopkeeper/trader	1.0	0.9	1.5	0.4
Relatives/friends	7.6	22.7	21.8	4.2
Others	1.6	0.8	11.7	0.6
Non-institutional sources	39.0	40.4	45.1	12.4
TOTAL	100.0	100.0	100.0	100.0

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

By analysing table 4.6, it is clear that the western region has more access to the institutional credit in comparison to the eastern Uttar Pradesh. Out of total amount of outstanding loan of the agricultural households the share of the institutional source is 61 % in the western Uttar Pradesh, while in the eastern Uttar Pradesh it contributes to only 54.9% which is lowest among all region. In the eastern region, moneylenders are the important source of credit due to the high prevalence of sharecropping and interlocking factor market.¹⁹⁸

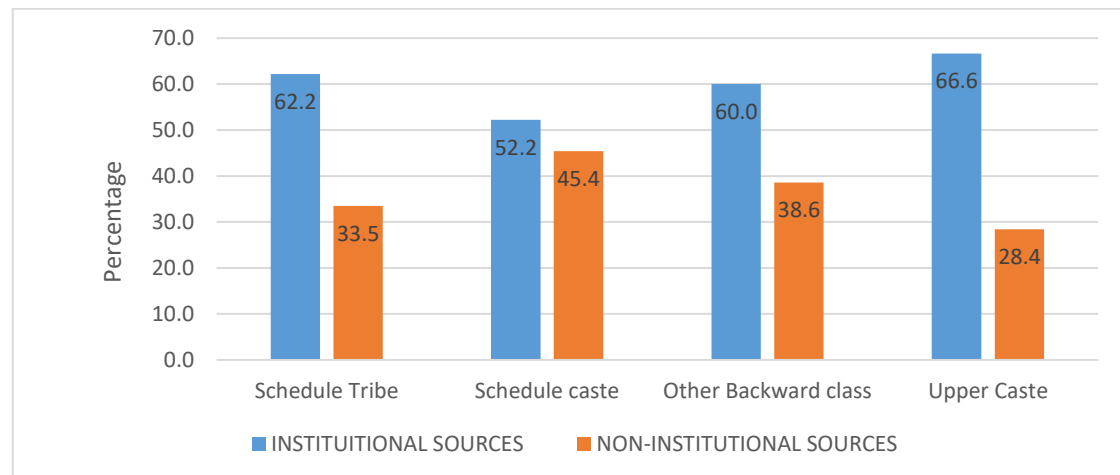
The share of institutional sources of outstanding loan of agricultural households is highest in the southern Uttar Pradesh where the institutional sources of credit account for 87.6%. In the southern Uttar Pradesh, may be, the government have provided for interest incentives for taking loan from institutional credit to save farmers from the agrarian distress in a recent couple of decade.

Distribution of outstanding loan of agricultural households across social groups according to source of loan (Figure4.3) shows that the access to the institutional credit for the total outstanding loan of scheduled caste is least/lowest where only 52.2% of

¹⁹⁸ Pant, C. (1980). Exploitation and interrelated tenancy and credit transactions. *Indian Economic Review*, 15(4), 243-253.

outstanding loan of the dalit agricultural households is from institutional sources which comprise mainly banks, government and co-operatives.

Figure 4. 3: Distribution of outstanding loans of agricultural households by source of loans of Uttar Pradesh across Social Groups



Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Dalit farmers are more dependent on the non-institutional sources which contribute to 45.4% of the total amount of outstanding loan which is also highest among all social groups in Uttar Pradesh (Figure 4.3). Literature shows that farmers who died by suicide were more likely to have debt with non- institutional sources.¹⁹⁹ Poor not having the sufficient asset to pledge for institutional loan is the main reason for the dependence on the informal sources of credit. The sources of non-institutional credit or informal credit which mainly comprise moneylender, landlords etc. used to give loan on the excessive interest rent. On failing to return these loans or interest, this poor household even compelled to sell their small plots of agricultural land thus, leading to vicious cycle of poverty.

The share of the institutional source of the outstanding loan for the upper caste is 66.6% which is highest among all social groups. It shows that the upper caste possesses adequate assets to pledge for the loan from the banks etc. The proportion of institutional sources of the total outstanding loan for the scheduled tribes and other backward class is 62.2% and 60% respectively.

¹⁹⁹ Merriott, Dominic (2016). Op.cit., p 220

Table 4. 7 : Distribution of outstanding loans of agricultural households by source of loans of Uttar Pradesh across Social Groups

Source of Loan	Scheduled Tribe	Scheduled caste	Other Backward class	Upper Caste
Government	1.82	4.26	2.31	1.78
Co-operative society	2.15	5.19	4.32	4.01
Bank	58.24	42.76	53.39	60.83
Landlord/employer	0.11	0.51	0.43	0.10
Agricultural/professional moneylender	22.08	22.57	24.15	20.17
Shopkeeper/trader	0.88	4.41	0.84	0.30
Relatives/friends	10.41	17.94	13.16	7.81
Others	4.32	2.36	1.41	5.00
TOTAL	100	100	100	100

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4.7 shows the source of loan as a proportion of the outstanding loan of agricultural households across social groups. Among all social groups the proportion of outstanding loan of the co-operative society is highest for the scheduled caste group where 4.26% of outstanding loan taken from the co-operatives followed by OBCs, scheduled tribes and others where the share of cooperative in the total amount of outstanding loan is 2.31%, 1.82% and 1.78% respectively. It shows that dalit agricultural households have benefitted much from the cooperative 'which aims was to remove rural indebtedness and promotes savings and deposits.'²⁰⁰

The scheduled caste agricultural households also more dependent on the relatives/friends as this category contributes almost 18% of the total amount of outstanding loans which is highest among all social groups. The scheduled caste also have the highest proportion of outstanding loan from the landlord/employer among all social groups which contribute 0.51% of total outstanding loan which is followed by OBCs, scheduled tribes and others. Even the shopkeepers contribute 4.41% of the outstanding loan for the scheduled caste which proportion is also highest among all social group, while the contribution of banks in the outstanding loan is lowest for the scheduled caste which is the important component of the institutional loan.

²⁰⁰ http://shodhganga.inflibnet.ac.in/bitstream/10603/52959/8/08_chapter%202.pdf, p.42

Table 4.8: Amount of outstanding loans by source of loan taken for different size classes of land possessed in Uttar Pradesh

Source of Loan	Marginal	Small	Semi-medium	Medium	Large
Government	2.4	4.6	1.1	0.1	0
Co-operative society	3.5	5.1	9.5	1.8	9
Bank	45.2	80.4	85.3	88.4	84.8
Institutional sources	51.1	90.1	95.9	90.3	93.9
Landlord/employer	0.4	0	0.2	0	0
Agricultural/professional moneylender	28.9	3.7	2.3	4.9	6.1
Shopkeeper/trader	1.3	0.5	0.1	0	0
Relatives/friends	14.5	5.4	1.4	4.6	0
Others	3.8	0.3	0	0.3	0
Non institutional sources	48.9	9.9	4.1	9.7	6.1
TOTAL	100	100	100	100	100

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4.8 shows amount of outstanding loans by source of loan for different size classes of land possessed. The share of institutional loans increases with increase in land possessed in Uttar Pradesh. For the agricultural households covered in the lowest size class of land Possessed less than one hectare of land (marginal), only about 51.1 per cent of the outstanding loans were from institutional sources (government, co-operative society, bank). In the small, semi-medium, medium and large category the proportion of institutional loan to the total amount of outstanding loan is more than 90 per cent. The proportion of institutional sources is highest for the semi-medium category of land possessed where it contributes 95.9% followed by large category of households. Among the non-institutional sources, the agriculture and professional moneylender has a significant role in providing credit to the marginal category of households. It shows that the moneylenders have a stronghold on the marginal farmers. These moneylenders set high-interest rates to pay when unable to pay the sum then these marginal farmers have to either sell their land to this moneylender or works on the moneylenders land as a labourer.

Table 4.9 analyses that across all region there is a general trend of declining proportion of the non-institutional source of credit when we move from the smallest category of land possessed to the largest category. In the marginal category of land possessed, the proportion of institutional source is highest in the southern Uttar Pradesh. In the southern Uttar Pradesh, the banking facility may be extended to cope up with the distress farming condition.

Table 4. 9: Regional analysis of source of credit across land size possessed²⁰¹

Region/size category		Marginal	Small	Semi-medium	Medium
WESTERN	Institutional	49.71	90.09	96.38	90.68
	Non institutional	50.29	9.91	3.62	9.32
CENTRAL	Institutional	55.09	86.83	93.90	80.84
	Non institutional	44.91	13.17	6.10	19.16
EASTERN	Institutional	47.41	99.43	96.71	99.27
	Non institutional	52.59	0.57	3.29	0.73
SOUTHERN	Institutional	76.92	94.18	94.34	98.96
	Non institutional	23.08	5.82	5.66	1.04

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

The southern region is followed by the central region in terms of proportion of households taken loan from institutional sources. In the western region, the proportion of institutional loan in the marginal category of the agricultural households is 49.7% and it is lowest in the eastern region where only 47.4% of households taken loan from institutional sources. In the eastern region there in the prevalence of the non-institutional source of credit like relative, moneylenders, landlords etc. Land and credit interlocking factor due to the semi-feudal mode of production in the eastern region played vital role in the rural economy. In the semi-feudalistic mode of production perpetual indebtedness of the small tenants with exorbitant rate of interest is a common phenomenon.²⁰²

In the context of agrarian development, it is very crucial to understand the nature of interlinkage of factor markets (particularly those of land, labour and credit) in the specific institutional context of a poor agrarian economy.²⁰³ In the semi-feudalist rural imperfect market, land lease and credit markets are the most reported forms of interlinkages. The rural poor agricultural households often lack the assets for collateral, as a result of that, these households may find landlord only source of credit. Landlord also interested to give loan to these households because they are better informed about tenant's loan repayment capacity. Apart from that, one other important reason is that they can accept collateral for example standing crops or the tenant's labour etc. which

²⁰¹ Large category of land possessed not included due to inadequate sample size.

²⁰² Bhaduri, Amit (1973). *Op.cit.*, p. 120-21

²⁰³ Bardhan, P. K. (1980). Interlocking factor markets and agrarian development: A review of issues. *Oxford Economic Papers*, 32(1), 82-98.

are not acceptable to other form of source of credit mainly institutional credit.²⁰⁴ These interlocking factor market more dominate is the region where the share cropping prevails, that is why it is more visible in the eastern region.

Table 4. 10: Regional analysis of source of credit across social groups (2012-13)

Region/ Social groups	ST	SC	OBC	Upper Caste	
Western	Institutional	35.0	52.9	58.0	69.4
	Non institutional	65.0	47.1	42.0	30.6
Central	Institutional	0.0	58.3	59.2	67.6
	Non institutional	100.0	41.7	40.8	32.4
Eastern	Institutional	26.2	39.4	59.3	55.9
	Non institutional	73.8	60.6	40.7	44.1
Southern	Institutional	0.0	85.6	85.9	91.9
	Non institutional	100.0	14.4	14.1	8.1

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4.10 presents the regional analysis of source of credit across the social groups. The general trend of Uttar Pradesh is that the SC's has the lowest access to the institutional credit among all social groups. On the other hand, the regional analysis shows that there are marked regional variation regarding access to institutional credit across social groups. Among all-region the eastern region has the lowest access to institutional credit facilities for the dalit agricultural households where only 39.4% of outstanding loan of dalits comes from the institutional sources. The highest proportion of dalits getting loan from institutional sources is highest in the southern region followed by central and western region. In the western and southern region upper caste have the highest share in the institutional credit facilities, on the other hand, the eastern Uttar Pradesh has the lowest share of upper caste in the institutional credit system among all region.

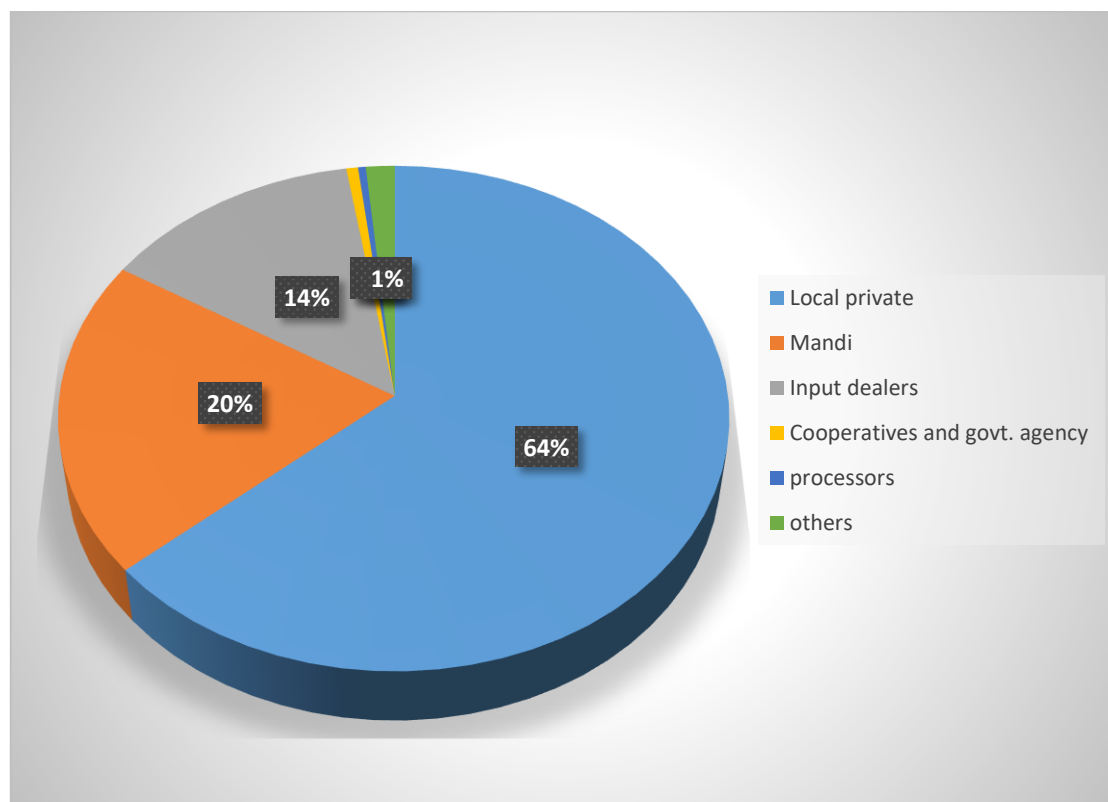
4.3 Market linkages for output

There is an imperfection in the market linkages of output in the Uttar Pradesh. The informal or middleman agencies have a high prevalence in the selling of output in the rural areas. It is the consequence of the lack of proper institutional arrangement for the sale of output. Due to indebtedness, small and marginal farmers compelled to sell their produce to the middleman for the repayment of their loans. Due to inter-linkages

²⁰⁴ Pant, C. (1980). Op.cit., p. 243-253.

prevalent in the input and credit market also, these farmers often sell their produce to the supplier of credit in order to repay their loans. It has been found that in most cases they are paid less than the market price by these agents.²⁰⁵

Figure 4.4: Disposition of paddy in Market: Uttar Pradesh (2012-13)



Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Figure 4.4 deals with the agency used for disposition of paddy²⁰⁶ crops grown in the region. In the whole Uttar Pradesh the prominent agency for the disposition of paddy is local private dealers²⁰⁷. Local private dealers accounted for the 64% of the total disposition. On the other hand, Mandi which is the government institution for the disposition of crops accounted for only 20% of the paddy crop disposition in Uttar Pradesh. Input dealers²⁰⁸ is also an important institution for the disposition of this crops. It shows that the agricultural household compelled for the disposition of crops to whom

²⁰⁵Rao, P. N., & Suri, K. C. (2006). Dimensions of agrarian distress in Andhra Pradesh. *Economic and Political Weekly*, 1546-1552.

²⁰⁶ Among all crops grown in Uttar Pradesh paddy occupied largest area.

²⁰⁷ Local private dealers are the middleman in the imperfect rural economy, which primary works is buying, selling, loan etc.

²⁰⁸ Input dealers are traders in rural economy. Usually farmers buy their inputs like seeds form these informal dealers. In some region these informal institutions are also major buyers of input.

from where they used to purchase input may be due to indebtedness. The role of cooperative, processors and others is very minimal which contributes only around 1% of the total disposition of paddy crops. Though minimum support prices are offered for the paddy crop, the presence of government institution for the disposition of produce is very dismal.

Table 4. 11: Disposition of Paddy in the market among different region (2012-13)

Disposition Agency	Western U.P.	Central U.P.	Eastern U.P.	Southern U.P.
Local private	40.4	92.8	66.9	89.1
Mandi	41.9	5.5	5.6	10.9
Input dealers	12.5	0.6	25.6	0.0
Cooperatives and govt. agency	0.3	0.1	1.7	0.0
Processors	0.6	0.1	0.1	0.0
Others	4.3	1.0	0.2	0.0
Total	100.0	100.0	100.0	100.0

Note- all figure in this table are in percentage

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4.11 shows that the local private dealer has the stronghold as an agency of disposition in the rural area. Due to lack of awareness and insufficient institutional mechanism, most of the time agricultural produces compelled to sell their produce to the local private dealer. Local private dealers are the middleman who used to purchase the crop from lower than market prices and agricultural farmers get unfair prices. In the central Uttar Pradesh, the local private agency has the highest prevalence where it accounts for 92.8% which is followed by southern Uttar Pradesh (89.1%) and eastern Uttar Pradesh (66.9%). The lowest prevalence of the local private is seen in the western Uttar Pradesh where only 40.4% of paddy crop disposition is done by local private dealers (table 4.12).

Mandi is the important disposition agency in the western Uttar Pradesh which disposes 41.9% of total disposition. Due to commercial farming and impact of the green revolution, the farmers of this region used to sell their produce mainly in the Mandi. Apart from that there were also strong peasantry movement and leadership like that of Choudhary Charan Singh in 1970s and 80s which compelled the government to take some step for agrarian development. However, only farmers with large surplus can get benefited from this because these big farmers used to get loan from the institutional

sources and don't come in the clutches of input dealer or the professional moneylender. On the other hand, the role of Mandi for crop disposition is very insignificant in all others region. In the eastern and central Uttar Pradesh mandi contributes 5.6% and 5.5% respectively. In the southern Uttar Pradesh, it contributes only 10.9%. The presence of multiple intermediaries in the disposition of crop production in these three region shows that the "consumers pay high prices for agricultural commodities, while farmers get meagre returns."²⁰⁹ It is also due to the inefficient and fragmented mandi functionaries. These mandi's which were created under the legislation of agriculture produce market committee act proving inefficient due to the local restrictive monopolies which often do not allow new entrants in the market further reducing competition.²¹⁰

The prevalence of input dealer is seen in the eastern Uttar Pradesh, where it contributes 25.6% of the total paddy crop disposition which is highest in comparison to all other region of Uttar Pradesh. Therefore, sale of output to the input dealer rather than more satisfactory institutional arrangements such as cooperatives or the mandi can be seen as a sign of distressed sale wherein a farmer who had undertaken loan from the input supplier is bound by the informal contract between them to sell his output in order to pay back the loan. The low amount offered by the input supplier, therefore, helps the farmer to pay back only a part of his dues at the same time being trapped in the never-ending cycle of taking fresh loans and growing the riskier crops to repay their loans. The role of cooperatives and the government agency is insignificant in almost all-region for the disposition of paddy output. The role of co-operatives and government agencies must be increased to reduce the dependence of farmers on the local private and input dealers, so that the farmers may get fair amount by selling their production. Thus it will also help them to get rid of the debt trap of informal agencies.

Table 4.12 shows that the lion's share of sales at mandis is made by relatively larger farmers, while small and marginal farmers sell mostly to local intermediaries. It is because of the higher fixed transport costs for small farmers as well as less bargaining power within the mandi setting.

²⁰⁹ Chatterjee, Shoumitro and Devesh Kapur (2016). Understanding Price Variation in Agricultural Commodities in India: MSP, Government Procurement, and Agriculture Markets. *India Policy Forum, NCAER*. P 1-26.

²¹⁰ Chatterjee, Shoumitro and Devesh Kapur (2016). *Ibid*.

Table 4. 12: Disposition of Paddy in the Market among different landholding size (2012-13)

Agencycode/ Land class	Marginal (0-1 ha.)	Small (1-2 ha.)	Semi-medium (2-4 ha.)	Medium (4-10 ha.)	Large (>10 ha.)
Local private	66.1	51.4	38.5	57.8	37.2
Mandi	18.2	24.1	49.6	20.4	24.8
Input dealers	14.0	16.1	4.0	19.0	0.9
Cooperatives and govt. agency	0.5	0.4	2.0	2.0	0.0
Processors	0.4	0.1	0.2	0.0	0.0
Others	0.7	8.0	5.9	0.7	37.1
Total	100	100	100	100	100

Note- all figure in this table are in percentage

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

The table 4.12 shows that the lowest share of marginal agricultural households in the output sold to mandi. In this category only 18.2% of output sold to mandi as against the semi-medium category where 49.6% of output is sold in the mandi. Among the marginal agricultural households the 66% of the saleable paddy production sold to the local private dealers which are highest among all land size categories. The general trend of the local private dealer is that as we are moving from the marginal to large category the proportion of local private has declined except semi-medium and medium category.

Table 4.13 shows the Agency for disposition of crops-Paddy across the social groups for 2012-13. Local private dealers are very prominent among the ST agricultural households. About 90.4 per cent of paddy produce is sold to the local private dealer followed by the mandi. Only 8.2 per cent of paddy disposition is through the mandi for the scheduled tribe agricultural households.

Table 4. 13: Disposition of Paddy in the market among different social groups (2012-13)

Social groups	Local private	Mandi	Input dealers	Cooperatives & govt. agency	Processors	Others	Total
ST	90.4	8.2	1.4	0	0	0	100
SC	65.08	13.87	20.84	0.21	0	0	100
OBC	64.7	21.35	10.76	0.6	0.74	1.84	100
Upper Caste	59.01	23.3	14.64	0.94	0.05	2.06	100
Total	63.65	20.2	13.64	0.61	0.4	1.51	100

Note- all figure in this table are in percentage

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

After STs, dalit have a significant proportion of crop disposition to the local private dealers where local private dealers contribute for the 65.08 per cent. The proportion of paddy disposition to the local private dealers is lowest in the Upper caste agricultural households. The upper caste disposes the highest amount of paddy in the Mandi which shows the reach of upper caste to the profitable market. The important reason behind access to the mandi is that these upper caste households may have sufficient assets or collateral for taking loan form the formal agencies, so they often don't come in the trap of either private dealer or input dealers like informal agencies and usually dispose their production in the mandi.

The proportion of paddy disposition to the input dealers is highest for the dalits agricultural households where input dealers contribute nearly 21% of total paddy disposition. It also represents the interlocking factor market for the dalit households. Most of the time dalit households used to purchase the agricultural inputs form these input dealers and get indebted, then these households compelled to sell their production to these intermediaries at the unfair prices thus this vicious cycle of poverty for the dalit households remain continued. The proportion of disposition to the cooperative and government agency is highest for the upper caste among all social groups; this shows the access of the upper caste households to the institutional market.

Table 4.14: Disposition of paddy in the market among different social groups of Western Uttar Pradesh (2012-13)

Social groups/Agency	Local private	Mandi	Input dealers	Cooperatives and govt. agency	Processors	Others	Total
ST	45.81	4.18	0	0	0	0	100
SC	32.88	26.42	40.27	0.43	0	0	100
OBC	46.54	37.63	8.90	0.13	1.1	5.67	100
Upper Caste	30.34	56.67	7.75	0.45	0.03	4.74	100
Total	40.42	41.87	12.46	0.29	0.64	4.30	100

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4. 15 Disposition of paddy in the market among different social groups of Central Uttar Pradesh (2012-13)

Social groups/Agency	Local private	Mandi	Input dealers	Cooperatives and govt. agency	Processors	Others	Total
ST	100*	0	0	0	0	0	100
SC	90.67	9.33	0	0	0	0	100
OBC	95.1	2.26	0.6	0	0.15	1.9	100
Upper caste	90.15	8.41	1.13	0.31	0	0	100
Total	92.84	5.47	0.58	0.08	0.07	0.96	100

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Note * Inadequate Sample Size

Table 4. 16 Disposition of paddy in the market among different social groups of Eastern Uttar Pradesh (2012-13)

Social groups/Agency	Local private	Mandi	Input dealers	Cooperative s and govt. agency	Processors	Others	Total
ST	84.06	11.43	4.51	0	0	0	100
SC	66.6	4.07	29.33	0	0	0	100
OBC	71.48	5.64	20.31	2.16	0.09	0.32	100
Upper Caste	59.28	6.05	32.44	2.13	0.1	0	100
Total	66.9	5.55	25.64	1.69	0.07	0.15	100

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Table 4. 17 Disposition of paddy in the market among different social groups of Southern Uttar Pradesh (2012-13)

Social groups/Agency	Local private	Mandi	Total
SC	100*	0	100
OBC	87.01	12.99	100
Upper Caste	100*	0	100
Total	89.14	10.86	100

Source: Calculated from Unit level data, NSSO 70th round, schedule-33, Key Indicators of Situation of Agricultural Households in India, MOSPI.

Note * Inadequate Sample Size

Table 4.14 presents that in the western region, upper caste agricultural households have the lowest disposition of paddy production to the local private dealers. The access to the mandi for this crop is very significant as the upper caste sold the 56.6 per cent of the total crop sale to the mandi followed by the OBC agricultural households. It shows the proper institutional access to market for the upper caste for their disposition of the crop production where they can get the fair amount of price. Though dalits agricultural

households of this region contributes only 32.9% of the total disposition of the paddy crop to the local private dealers but the reach of these dalit agricultural households to the mandi is also low where mandi contributes only 26.4%. However, in this region dalits had disposed significant proportion of paddy crop production to the input dealer which is about 40%. It is also corroborated by the fact that in the western region there are maximum proportion of dalit indebted households as well as most of these households have taken their loan from non-institutional sources.

In the central Uttar Pradesh which is also relatively developed region after western Uttar Pradesh, has the significant proportion of disposition of paddy crop through the local private dealers in all social groups. In the eastern Uttar Pradesh, there is less disparity in terms of disposition of paddy crop in mandi across social groups in comparison to the western region. In this region also upper caste has the lowest proportion of disposition in the local private dealers, while it is highest in the STs followed by OBCs and dalit agricultural households. However, there can be seen different picture in this region in comparison to the western Uttar Pradesh. In eastern region, the role of mandi is very insignificant for all social groups for the disposition of paddy production. Here, input dealers play a vital role in the disposition of paddy crop for all social groups except ST. Among the ST agricultural households the local private dealer play a significant role for the disposition of paddy crops. In this region, the proportion of indebtedness almost uniformly distributed across all social groups as well as the non-institutional source of debt is also prominent in this region in all social groups. It is evident that there is less differentiation among social groups in this region not only in terms of indebtedness but also regarding disposition of crop.

The prominence of input dealer among all social groups shows the interlocking situation of credit and output disposition among all agricultural households irrespective of the social groups. Usually, the lender of the agricultural households is his landowner who lends against the future harvest. So the agricultural households have to sell their product to the input dealers because they have to repay loan to them. This situation proves hindrance for the kisans to access to modern capital market where they can get fair price after selling their produce.²¹¹

²¹¹ Bhaduri, A. (1973). Op.cit.,120-137

In the Bundelkhand region of Uttar Pradesh, most of the production is disposed through the local private dealer across all social groups.

4.4 Conclusion

Following conclusion can be drawn from the above analysis-

- Highest average outstanding loan per household is taken by the upper caste's which is followed by Other backward caste, scheduled Caste and scheduled tribes. It is because the upper caste have sufficient amount of assets to pledge for loan.
- The western region has the highest amount of outstanding loans per agricultural household followed by southern, central and eastern Uttar Pradesh.
- Generally, the amount of outstanding debt per agricultural household has an increasing trend as we move from smaller size agricultural households to larger size agricultural households except large category. In the marginal category of agricultural households, western region has the highest amount of the average outstanding loan whereas, the eastern region has the lowest figure.
- In the western region and central region which are agriculturally more developed, the highest proportion of indebted households is found among the dalit households; while in the southern and eastern region which are relatively less developed, dalits have the lowest indebtedness. It indicates that the capitalistic farming in the agriculturally more advanced region make poor farmers prone to indebtedness.
- About one-fourth of agricultural households of Uttar Pradesh has taken loan from agricultural or professional moneylender which is the major source of the non-institutional credit. Dalit farmers are more dependent on the non-institutional sources which contribute to 45.4% of the total amount of outstanding loan which is also highest among all social groups in Uttar Pradesh. The eastern region has the lowest access to institutional credit facilities for the dalit agricultural households. Even the upper caste has the least access to the institutional credit in the eastern Uttar Pradesh.
- The Western region has better access to the institutional credit in comparison to the eastern Uttar Pradesh. In the eastern Uttar Pradesh, the proportion of non-institutional credit to the total amount of outstanding loan is highest among all

four regions where landlords or employer and relatives are the major players as far as the source of loan is concerned.

- Almost half of the marginal agricultural households used to take loan from the non-institutional sources. However this proportion is drastically declined for other higher size of landholdings. Among the non-institutional sources, the agriculture and professional moneylender has a significant role in providing credit to the marginal category of households. It shows that marginal farmers are more vulnerable to exploitation by the informal credit institutions.
- Local private dealer and input dealers are prominent agency for the disposition of paddy in Uttar Pradesh, which contributes about 80% of the total paddy disposition. This indicates the input, credit and market interlocking factor in Uttar Pradesh. The lowest prevalence of the local private is seen in the western Uttar Pradesh where only 40.4% of paddy crop disposition is done by local private dealers.
- Mandi is the important disposition agency in the western Uttar Pradesh probably due to intervention by the government during the green revolution and strong peasant movement. The highest prevalence of input dealer is seen in the eastern Uttar Pradesh most probably due to the semi-feudal mode of production.
- Significant share of sales at mandi is made by relatively larger farmers whereas small and marginal farmers sell mostly to local intermediaries. Across social groups, upper caste has the highest access to the mandi for the disposition of paddy crops. The dalits and ST agricultural households are largely dependent on local private dealers.
- In the western region, there are relatively better institutional access to the market for the upper caste where they can get the fair amount of price for their disposition of crop production.
- In the eastern Uttar Pradesh, there is less differentiation among social groups not only regarding indebtedness but also in terms of disposition of the crop. The prominence of input dealer among all social groups except ST households shows the interlocking situation of credit and output disposition among all agricultural households irrespective of the social groups.

CHAPTER-5

CONCLUSION AND RECOMMENDATIONS

This research study analysed the landholding pattern, tenancy and access of various social groups as well as the market linkages of output in the different regions of Uttar Pradesh. People from marginalised sections especially dalit populations have less access to land resource in comparison the people from upper caste sections. In the Indian context, caste structure and regional specifications play a significant role in access to landholding.

The eastern and western Uttar Pradesh still have differences regarding access to land, land leasing pattern and mode of production. Since the liberalisation of the economy, the potential of agriculture for the inclusive development often underlooked by the government and the policymakers. It also coincides with the exclusion of the caste of the lower rung as well as the marginal and small farmers which ultimately increases the vulnerability of poor farmers for still being trapped in the vicious cycle of poverty. Since the western and the eastern region is marked by the semi-feudalist and capitalist mode of production and both production system have its concerns and challenges. As this analysis shows that the capitalist mode of production is proving more distressing and exclusionary for the dalits and other poor farmers. This mode of production affects not only access to land but also access to the market for the depressed household.

On the other hand, semi-feudalist mode of production of eastern Uttar Pradesh is characterised by less inequality of land and exclusion but, on the other hand, unfortunately having the interlocking factor market of land, credit and market leading to less investment in agriculture and unfair prices to the farmers. There is not much changes from the 1970s when the debate on the mode of production has started. So, proper government intervention is needed to reform both type of regional specification characterised by different mode of production so that the access to land improve for all caste in the inclusive way and access to the market as well as an institutional source of credit also enhanced.

5.1 Conclusions

- Landlessness and marginalisation of holdings have increased in UP from 2002-03 to 2012-13. It has increased due to the combined factor of population pressure and dispossession of land of the poor agricultural households. Average area owned per household has declined in all region of Uttar Pradesh.
- Inequality in the landholding in terms of percentage of population and percentage area owned by them across size class of holding has decreased from 2002-03 to 2012-13. The Gini-coefficient was reduced from 0.50 to 0.47. This marginal decrease may be due to the marginalisation of land holdings and sub-division of land.
- Landlessness (household that don't own any land other than homestead) has increased in Uttar Pradesh form 2002-03 to 2012-13. It is very high in western Uttar Pradesh (42%), on the other hand, low in southern and eastern Uttar Pradesh. High incidence of landlessness (more than one-third of households) and increasing of the same, indicate the dispossession of land and proletarianization of households in the western region. This results in an increasing number of agricultural labourers with exploitative low wages. Highest landlessness²¹² is reported among Scheduled Tribe households (46.2%) followed by scheduled caste households (44.5%). In the recent decade, the proportion of landless household has increased significantly for the dalits, while declined for the Upper caste household.
- Across all region, SCs has the maximum landlessness²¹³ household in the Western Uttar Pradesh. In 2012-13, 58.73% of SCs households are landless in the Western Uttar Pradesh. In the eastern Uttar Pradesh, landlessness is low for the dalit household in compare to the western and central region in 2012-13.
- Highest increase is seen in ICCR (Inter-class concentration ratio) in medium and large households in the distribution of ownership holdings. (There are an increasing trend in the area owned in comparison to their proportion in households). In the operational holding though, the ICCR has increased in the landless, marginal, small and semi-medium category, it has declined in the

²¹² Households that don't own any land other than homestead

²¹³ Households that don't own any land other than homestead.

medium and large category. It shows the relatively less concentration of land in the large and medium farmers of the operational landholdings.

- Proportionate area owned by large category of household²¹⁴ has declined significantly in the western and eastern Uttar Pradesh. In the western Uttar Pradesh proportion of area owned as well as a households has increased for the semi-medium category of households. It means the transfer in the ownership holding took place in the almost same class and to increase the scale of operation. In case of eastern Uttar Pradesh, since the area in the large category of the households has declined, it contributed to increase in the area of households of the marginal category. One possible explanation of this fact may be that absentee landlord may have sold their land to landless or petty landholders in case of prosperity driven out-migration. In the southern Uttar Pradesh or Bundelkhand region there is lack of marginalisation of land holdings. It is due to the low population pressure as well as unproductivity of land.
- In all regions of Uttar Pradesh, the proportion of households under the marginal land size is lowest among the upper caste households except bundelkhand region. On the other hand, dalits have highest proportion of marginal household in all region. Except bundelkhand, in other region the marginalisation has increased almost in all social groups from 2002-03 to 2012-13.
- Inequality has increased among social groups. The Gini-coefficient of inequality has increased from 0.19 to 0.23 for 2002-03 and 2012-13 respectively. The rising inequality shows the deplorable condition of lower caste and dalits regarding ownership of lands and rising concentration of land in the hands of the upper caste. Most of the time lower caste households compelled to sell their land either due to debt burden or unprofitability of agriculture on the small plots. Lowest intra-caste inequality is seen among dalit, while highest intra-caste inequality is seen among upper caste and Scheduled Tribes.
- In 2012-13, the index to access for land for the upper caste is 1.87, while for the dalits it is 0.44. This shows the inequality among social groups for the access to land very clearly. Western region has the lowest access of land to the dalit households where the index of access value is 0.31, which is lowest among all regions in the Uttar Pradesh in 2012-13. Highest decline of index of access value

²¹⁴ own more than 10 hectare of land.

is seen in the western region for the dalit household from 2002-03 to 2012-13. OBCs has almost their share in land in proportion of their share in households among all regions of Uttar Pradesh.

- In the operational households, almost negligible landlessness and comparatively low marginalisation are experienced due to access to land through land leasing.
- Tenancy²¹⁵ has declined in Uttar Pradesh from 12.78% to 10.05% as against the all India trend where it has increased from 11.51% to 13.1% (2002-03 to 2012-13). This may be due to various reason like unprofitability of agriculture, rising wage labour, growing distress driven non-farm employment, concealed tenancy due to tenancy laws etc.
- Tenancy in terms of lease-in area to total area operated and lease-in area to total area owned has declined significantly in all region of Uttar Pradesh except Eastern region where it has increased slightly. It shows the elimination of tenants in the agriculturally developed region like western and central region due to mechanisation etc. and increasing access to land in the eastern region through tenancy.
- The proportion of lease-in households under the landless category has increased, while in the other increasing land size-category the proportion of lease-in households has declined. In the 2002-03, only 8.91% of households were engaged in the lease-in, while it has increased by 13.22% in 2012-13. It shows that small plots are being lease-in, it means that lease –in is providing access to land for the poor landless households.
- In the western Uttar Pradesh, 10.4% of the households were under large size category of lease-in land (excluding landless and marginal). On the other hand, in the eastern region, majority of lease-in households are smaller households in terms of the size of landholdings leased-in. In the eastern Uttar Pradesh, only 6% of households (excluding landless and marginal) under the larger category. It indicates that relatively large landholdings were leased-in the western region in comparison to the eastern region, this may be due to increase in the scale of operation to make agriculture surplus oriented and profitable. It also indicates the symptoms of reverse of tenancy.

²¹⁵ Proportion of lease-in household to total household.

- The highest proportion of tenant lease-in households are in the OBC category (62.5%) in 2012-13. The proportion of lease-in households has declined significantly for scheduled caste category from 32.2% to 21.2% from 2002-03 to 2012-13. Upper caste has significantly more proportion of lease-in area (19.9%) in comparison to their proportion in the lease-in households (15.4%). It reflects the higher access of upper caste in the lease-market.
- In the 70th round, the proportion of SC lease-in in households has declined sharply in the category of small and semi-medium. It reflects that dalit population is now more confined in the category of landless and marginal which is the bad situation for dalit regarding access to land.
- In the 70th round, the proportion of scheduled tribes and scheduled caste lease-in households in the western region (capitalistic tenancy) is lowest whereas, the proportion of OBCs and upper castes is highest in the lease-in tenant households which combinedly contributes 94.63% of households. Whereas, in the eastern region (subsistence tenancy) a significant proportion of SC households are engaged in the lease-in market. Thus we can also say that the developed agriculture does not ensure inclusiveness.
- Terms of lease under share of produce, declined significantly in the Uttar Pradesh whereas lease-in operated area under fixed money/ fixed produce increased. It reflects the emerging nature of capitalist agriculture in Uttar Pradesh. Regionally, the proportion of lease-in operated area under fixed money is highest in the western Uttar Pradesh and also increased significantly from 2002-03 to 2012-13. Though in the fixed money, the risk is born by only lessee households, this also led to the eviction of the poorer tenants. The proportion of operated area under share of produce has declined in all region of Uttar Pradesh. However, the decline in eastern Uttar Pradesh under the share of produce lease-in area is due to increase in the share of ‘share of produce together with other terms’ terms of lease. It shows that the semi-feudal characteristics in the eastern Uttar Pradesh is continuing.
- In 2012-13, upper caste household has the highest share (54.8%) in the fixed rent contract among all social groups which is followed by the OBCs, even the proportion of these social groups in the fixed rent contract has increased over two periods. However, the dalit household has the least share (27.4%) in the

fixed rent contract. Dalit households have the highest proportion (52%) in the share of produce contract after scheduled tribes in 2012-13. Since these depressed household cannot take much risk due to their poverty, less risk-bearing capacity and low asset base preferably engaged in the share of produce lease market.

- In the Western Uttar Pradesh, since farmers are more inclined to grow the commercial non-good grains crops; fixed rent contract is common among all social groups, however, the share of fixed rent contracts is highest in the upper caste. However, in the eastern region relatively less share in the fixed rent contract among all social groups.
- The highest average outstanding loan per household is taken by the upper caste's which is followed by other backward caste, scheduled Caste and scheduled tribes. It is because the upper caste have sufficient amount of assets to pledge for loan.
- The western region has the highest amount of outstanding loans per agricultural household followed by southern, central and eastern Uttar Pradesh.
- Generally, the amount of outstanding debt per agricultural household has an increasing trend as we move from smaller size agricultural households to larger size agricultural households except large category. In the marginal category of agricultural households, the western region has the highest amount of the average outstanding loan whereas, the eastern region has the lowest figure.
- In the western region and central region which are agriculturally more developed, the highest proportion of indebted households is found among the dalit households; while in the southern and eastern region which are relatively less developed, dalits have the lowest indebtedness. It indicates that the capitalistic farming in the agriculturally more advanced region make poor farmers prone to indebtedness.
- About one-fourth of the agricultural households of Uttar Pradesh has taken loan from agricultural or professional moneylender which is the major source of the non-institutional credit. Dalit farmers are more dependent on the non-institutional sources which contribute to 45.4% of the total amount of outstanding loan which is also highest among all social groups in Uttar Pradesh. The eastern region has the lowest access to institutional credit facilities for the

dalit agricultural households. Even the upper caste has the least access to the institutional credit in the eastern Uttar Pradesh.

- The Western region has better access to the institutional credit in comparison to the eastern Uttar Pradesh. In the eastern Uttar Pradesh, the proportion of non-institutional credit to the total amount of outstanding loan is highest among all four regions where landlords or employer and relatives are the major players as far as the source of loan is concerned.
- Almost half of the marginal agricultural households used to take a loan from the non-institutional sources. However, this proportion is drastically declined for other higher size of landholdings. Among the non-institutional sources, the agriculture and professional moneylender has a significant role in providing credit to the marginal category of the households. It shows that marginal farmers are more vulnerable to exploitation by the informal credit institutions.
- Local private dealer and input dealers are a prominent agency for the disposition of paddy in Uttar Pradesh, which contributes about 80% of the total paddy disposition. It indicates the input, credit and market interlocking factor in Uttar Pradesh. The lowest prevalence of the local private is seen in the western Uttar Pradesh where only 40.4% of paddy crop disposition is done by local private dealers.
- Mandi is the important disposition agency in the western Uttar Pradesh probably due to intervention by the government during the green revolution and strong peasant movement. The highest prevalence of input dealer is seen in the eastern Uttar Pradesh most probably due to the semi-feudal mode of production.
- A significant share of sales at mandi is made by relatively larger farmers whereas small and marginal farmers sell mostly to local intermediaries. Across the social groups, upper caste has the highest access to the mandi for the disposition of paddy crops. The dalit and agricultural households are largely dependent on local private dealers.
- In the western region, there is relatively better institutional access to the market for the upper caste where they can get the fair amount of price for their disposition of crop production.
- In the eastern Uttar Pradesh, there is less differentiation among the social groups not only regarding indebtedness but also in terms of disposition of the crop. The

prominence of input dealer among all social groups except ST household shows the interlocking situation of credit and output disposition among all agricultural households irrespective of the social groups.

5.2 Recommendation and Policy Implications

Based on the above findings of the study, some recommendations can be suggested-

- The surplus land can be redistributed as this study point out the continuing even increasing land inequality.
- Growing marginalisation of holdings, evidence on the burgeoning incidence of landlessness would be a clear indication of the ongoing process of proletarianization. There is an urgent need to adopt measures to make these holdings economically viable by ensuring and providing cheap and subsidised inputs and diversification of production base.
- Tenancy should be legalised as it provides to access for land and leads to relatively low inequality of land regarding access to operational land holdings. For access to land for the smaller farmers, only smaller farmers may be permitted leasing-in of land, while effectively prohibiting any leasing-in by large farmers. Many states have stringent tenancy legislation. However, the land lease market operates in the concealed manner which is more exploitative characterised by short period lease- contract. Thus, the legalised tenancy can give to protection to the tenants.
- There is need to see the regional specification and mode of production of the different region for the policy-making for any agrarian reform. Both mode of production, capitalist and semi-feudalist needs different policy measures. ‘One size fits all’ approach to address the problem of exclusion and agrarian distress would not prove beneficial.
- The role of co-operatives and government agencies should be increased to reduce the dependence of farmers on the local private and input dealers, so that the farmers may get a fair amount by selling their production. Thus it will also help them to get rid of the debt trap of informal agencies.
- Formal institution for credit at lower interest rate with flexibility must be promoted in the eastern region to address the problem of interlocking factor market.

- Bundelkhand region needs specific attention due to severe agrarian distress in this drought-prone region. Some special measure like the reclamation of land, water harvesting measure and supply of input at the rationalised rate needed.

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