

**FROM GREEN REVOLUTION TO LIBERALISATION :  
GROWTH OF AGRARIAN CAPITALISM IN PUNJAB**

*Dissertation submitted to the  
Jawaharlal Nehru University in  
partial fulfilment of the requirement  
for the award of the Degree of*

**MASTER OF PHILOSOPHY**

**DEBJANI CHAKRABARTI**

Centre for Political Studies  
School of Social Sciences  
Jawaharlal Nehru University  
New Delhi - 110067  
India  
1999



Jawaharlal Nehru University  
New Delhi - 110067, India

CENTRE FOR POLITICAL STUDIES  
SCHOOL OF SOCIAL SCIENCES

20th July 1999

### DECLARATION

This is to certify that this dissertation entitled, **FROM GREEN REVOLUTION TO LIBERALISATION : GROWTH OF AGRARIAN CAPITALISM IN PUNJAB** by **DEBJANI CHAKRABARTI** in partial fulfilment of the requirements for the award of **MASTER OF PHILOSOPHY (M.Phil)** degree of this University, has not been previously submitted for any degree of this or any other University and this is her own work.

We recommend this to be placed before the examiners for evaluation.

Supervisor

Dr. Sudha Pai

Chairperson

Prof. Kiran Saxena

**CHAIRPERSON**

**Centre for Political Studies**

**School of Social Sciences-II**

**Jawaharlal Nehru University**

**New Delhi-110067**

For  
Ma & Baba, Guria, Rony

## ACKNOWLEDGEMENTS

I gratefully thank my supervisor Dr. Sudha Pai for her guidance and support, without whom my work would not have materialised. I also extend my thanks to all faculty members of the Centre for Political Studies with special mention of Prof. Ashwini Kumar Ray and Prof. S.N.Jha.

My very special thanks are for Prof. C.P. Bhambhri for his help and encouragement. I would also like to mention Dr. Praveen Jha of Centre for Economic Studies and Planning and Prof. G.K. Chadha of Centre for Study of Regional Development whose valuable advice on the subject has helped me a lot.

My deepest gratitude is to my family for their emotional and moral support throughout these years and for keeping faith in me.

My whole hearted thanks to all my friends both far and near especially Manish, Anubha, Geeti, Geeta, Kasturi, Sarita and Namrata for standing by me.

My appreciative thanks are due to following libraries and their staff for the use of book and articles, namely, Jawaharlal Nehru University library, Nehru Memorial Library at Teen Murti, Indian Institute of Public Administration Library, New Delhi.

My acknowledgements are due to 'Dada' for helping me in the arduous task of typing and making this dissertation look presentable.

Thank you all

*Debjani Chakrabarti*  
DEBJANI CHAKRABARTI

## **CONTENTS**

<b>CHAPTERIZATION</b>	<b>Page. No.</b>
Chapter I Political Economy of India's Agrarian Strategy : A Framework of Analysis	1 - 19
Chapter II Historical Background	20 - 38
Chapter III Green Revolution and the Emergence of Rich Farm Lobby in Punjab	39 - 72
Chapter IV Liberalisation and Agricultural Policy : Impact Upon Punjab Agriculture	73 - 102
Conclusion	103 - 114
Bibliography	115 - 132

## **Political Economy of India's Agrarian Strategy : A Framework of Analysis**

In order to understand the agrarian structure of India, it becomes a necessary imperative to see it in the context of the problematic of the state. Analysing the policies of the state not only helps to focus attention on the nature of the Indian state, but also the politico-economic constellation of forces which operate on the state policy formulation and implementation.

India being a predominantly agricultural economy, embarked upon the 'State Managed Developmental Model' soon after Independence. This model was characterized by two central elements. One being the state building strategy which aimed at anchoring the state in the surrounding society i.e. extending the state institutions so that they reach down and out to the citizens. The other element was the state-managed development effort which involved the use of the state bureaucracy as an engine of growth and development and as a central planning and allocation mechanism. In other words, India embarked upon a path of development which favoured extensive state intervention on the lines of 'mixed economy'.

The arguments in favour of extensive state interventions have centred around the fundamental economic structure of backward societies, their undeveloped market and the absence of a sufficiently strong entrepreneurial class.

Being an agrarian economy, it was obvious that agriculture would have an important contribution to make in terms of economic self-sufficiency and political survival of the nascent nation. In the realm of development economics, Arthur Lewis<sup>1</sup> and W.W. Rostow<sup>2</sup> have observed that agriculture was usually characterized by extensive under employment, very low productivity, and the marginal productivity of labour approaching zero. Hence for them, transfer of labour from agriculture to industry was necessary to create growth in agriculture and economy. The underlying emphasis here is that since modernisation of Agriculture is dependent on Industrial sector which means the later needs to be developed first to initiate growth process in agriculture. Later Simon Kuznets,<sup>3</sup> emphasised upon an important relationship <sup>between</sup> agriculture and development. According him, agriculture can contribute to aggregative, structural and International aspects of economic development via three forms of contribution namely,

- a) Market contribution i.e. agriculture makes a contribution to growth by purchasing products from other sectors, at home or abroad in exchange of its own products.
- b) Factor contribution, -which referred to the transfer of resources

---

<sup>1</sup>. Arthur Lewis, 'Theory of Economic Growth', George Allen & Unwin, London, 1955.

<sup>2</sup>. W.W. Rostow, 'Stage of Economic Growth : A non-Communist Manifesto' London, CUP, 1965.

<sup>3</sup>. Simon Kuznets, 'Economic Growth and Structure : Selected Essays', Calcutta, Oxford & IBH, 1969.

from agriculture to other sectors, where they are utilised more productively. Finally,

- c) Product contribution - by which he meant growth within agricultural sector itself. Indian agricultural policy as we shall see later on was marked by the factor contribution aspect initially, and later on a combination of product and market contribution aspects, soon after crisis of food scarcity.

In fact in the 1950s, one of the most frequent recommendation of the period was that states in the third world should do everything in their power to extract the greatest possible economic surplus from agriculture and use it for industrial development. A lot of this idea was behind adoption of Nehru's model of economic growth driven by an industrializing zeal. But soon, the 'Post-Nehru political elites' faced with the dire situation like a food crisis, gave farmers price incentives and invested in a technology called the Green Revolution. Its aim was to supply food grains and ensure self-sufficiency, but it was achieved at a rather low level of per capita consumption that is, there was a low level of equilibrium between domestic demand and domestic supply. Though it was scale - neutral technology yet its impact was unequally felt across regions and classes of farmers. The beneficiaries began to develop interest in 'politics' 'power' and 'influence'. Their political ambitions were reinforced by democratic methods like elections and popular participation by which they entered the arenas of decision - making.



Therefore, the developmental strategy of state intervention has to be understood with reference to the nature of society, the relative power configurations across classes and groups and the interaction between politics and economics that expresses itself as an outcome of various form of governmental policies.

A number of scholars have suggested approaches for the study of agrarian structure and formulated hypotheses about the causal relationship between agrarian structure and economic development. Gunnar Myrdal,<sup>4</sup> formulated an institutional approach and also argued that non-economic factors were equally important. He showed how land reforms contribute to economic development not only through its direct impact on the system of ownership and operation of land, but also through indirect effects on the social-structure, power balance and value-system, yet he also points out to the nature of the 'post colonial state' and says that its politico-administrative agencies are unsuitable to manage the development process, due to the political legacy of the colonial era. While relating state analysis to the theory of economic development in terms of policies, political interventions and politically induced change applied to the conditions in other categories, he found that the Indian state was 'soft' in its essence. In the sense, it was not capable of implementing policies that go against the interests of the bureaucracies or powerful groups

---

<sup>4</sup>. a) Gunnar Myrdal - 'Asian Drama : An Inquiry into the Poverty of Nations' Harmondsworth, Penguin, 1968.  
b) Myrdal (1958) 'Economic Theory and Under-developed Regions', London.

in society. If we narrow our focus on agriculture and various government policies relating to it, we will find a pattern of state action which works for the benefit of the already well-off and politically entrenched class.

But at the time of independence, the necessity of state intervention was taken for granted. It was assumed that the state was, unlike its colonial predecessor inherently benevolent in its desire for the material betterment of the people, and essentially oriented to the development of the whole economy rather than favouring particular classes or groups. State was competent in every respect and whatever difficulties were encountered for example, in the implementation of the plans were attributed to economic and political structures outside the state.<sup>5</sup> This is also the conclusion of Sukhomay Chakrabarty while analysing plans in his book, 'Development Planning : The Indian Experience'.

Gradually the nature of policies for various sectors of the economy, has only shown that the state is not autonomous at all but in some ways subordinated to the pressures and pulls of interest groups, 'farm lobby' being one of them. This view is best expressed by Pranab Bardhan,<sup>6</sup> when he talks of three dominant proprietary classes out of which the landed rich proprietary rural classes is one

---

<sup>5</sup>. Sukhomay Chakrabarty, 'Development Planning : The Indian Experience', OUP, Delhi, 1987.

<sup>6</sup>. Pranab Bardhan, 'Political Economy of Development in India', OUP, Delhi, 1984.

of them.

There is also another view, regarding the relative autonomy of the Indian state which comes from its sheer size in the economy and its ideological position in the society. Elaborating this Lloyd and Sussane Rudolph,<sup>7</sup> said that the Indian state is not only relatively autonomous and self-determined but also self-interested. This is by virtue of the resources it controls and its strategic and bargaining advantage with respect to other institutions. So, here the state is the powerful 'third' actor in Indian politics chartering its own course of development.

However, the lukewarm success of institutional change initiated by the state prior to the planning process, shows the inability to check the acquisitive tendencies of the elites which in turn gets reflected in the nature of the state itself. Prabhat Patnaik,<sup>8</sup> has described the nature of the state as an uneasy alliance between rural landed classes and the big industrial bourgeoisie, influenced also by the interaction with metropolitan capital.

In would be interesting to know how the rural powerful

---

<sup>7</sup>. Lloyd Rudolph and Sussane Rudolph, 'In Pursuit of Laxmi, The Political Economy of the Indian State', Orient Longman, Bombay, 1987.

<sup>8</sup>. Prabhat Patnaik, 'On the Political Economy of Under-development' in EPW (Annual Number, Feb. 1978, pp.197-212.

interests have entrenched themselves in the state power via democratic process of elections. The process of modernisation in the largely tradition-bound Indian agriculture was initiated by exogeneously induced factors of technology and innovation which brought about commercialisation of production and growth of capitalism. Since, it was not a resource-neutral technology, obviously the rich landed proprietors garnered all the gains that emanated from the 'Green revolution'. Soon the rich farm lobby was able to ensure high farm output prices through influencing the government procurement prices. For them agriculture became the primary source of profit and rent. This was reflected in the greater commercialisation of agricultural production and more intensive use of monetized inputs .

Though it was a state-led development, yet the state could not control the acquisitiveness and aggrandizement of the minority 'capitalist' farmers in the agrarian society. The incapacity of the govt. to tax the rich farmers meant not only that direct taxes as a proportion of total income decreased continuously over the entire period, but also that taxes themselves declined in importance as sources of government income. This ultimately hurt the government's ability to invest in public goods and infrastructure which is so critical to agricultural growth in India. From the mid-70s onwards, state expenditure also became increasingly oriented towards subsidies to 'favoured groups'. This was also the time, when rural power began to show its strength, which came with greater force in the early 80s,

with 'Bharat vs India' as its slogan in line of Micheal Lipton's theory of 'Urban Bias'. These were signs of middle rung and rich surplus producing farmers' wanting to assert themselves politically, while ostensibly espousing the cause of agrarian India as whole.

However, 'the combination of constrained taxation and increased expenditure, particularly in the eighties resulted in growing fiscal problems of the state and culminated in the fiscal crisis of the recent times.'<sup>9</sup> It was not an outcome of just macro economic mismanagement, but it reflected the long term tendencies of political economy within the system. The shifts in governmental policy has reflected an interaction between the state and economic, social and political processes.

The liberalisation phase embodying 'structural adjustment programme' was an attempt to alter the prevalent scheme of arrangement, with the state now being asked to play a secondary role to market forces. This was much in the line with the principle theses advanced by the neo-classical economists like 'Deepak Lal (1983), Bela Balassa, J.N. Bhagwati (1982), Ian Little (1983) and P.T. Bauer (1984)<sup>10</sup> who said that free competition, market mechanisms in all

---

<sup>9</sup>. Jayati Ghosh, 'Development Strategy in India : A Political Economy Perspective' in Sugata Bose & Ayesha Jalal (ed.) 'Nationalism, Democracy and Development, State and Politics in India', OUP, Delhi, 1997, pp.179.

<sup>10</sup>. a) Deepak Lal (1983), 'The Poverty of Development Economics', London, Institute of Economic Affairs.  
b) Bela Balassa (1982), 'Development Strategies in

countries and under all circumstances would bring about a more optimal distribution of commodities than a regulated economy and administrative control and central planning. The economic role of the state was sought to be minimised. The central consideration was to get the price right, so that market would then take care of the dynamics, the growth and the structural transformation of backward economies.

Since upto the 'liberalisation phase' the 'state' was in many ways serving the interest of the 'rich rural entrenched class', namely the capitalist farmers, now how far will 'liberalisation' affect their fate?

There has been noticeable distributional shifts on the larger plane : i.e from workers to capitalists, from petty bourgeoisie to large capitalists, from domestic capitalist to foreign capitalist - from entrepreneur to rentier.<sup>11</sup> In this scheme, agriculture would experience a distinct shift from public system approach to private sector approach. Prabhat Patnaik believes that, 'structural

- 
- Semi Industrial Economics' Baltimore,  
c) J.N. Baghwati and Padma Desai (1982), 'Directly Unproductive Profit Seeking activities', Journal of Political Economy.  
d) P.T. Bauer (1984) 'Reality and Rhetoric - Studies in the Economics of Development', London.  
Cited in, John Martinussen, 'Society, State and Market - A Guide to Competing Theories of Development', Halifax, Fernwood Publishers, 1995.

<sup>11</sup>. Prabhat Patnaik, 'Macro-Economic Policy and Income Distribution : A Note', EPW, May 17-23, pp1077.

adjustment programme in fact represents a convergence of interests, between multi national corporations, international finance capital, sections of the domestic third world bourgeoisie keen on breaking out of the strait jacket of the national economy, the Kulak and landlord elements lured by the promise of export agriculture (a promise that does not necessarily get realised subsequently as prices crash), and the sections of the third world elite that benefit from globalisation in terms of access to opportunities and commodities'.<sup>12</sup>

Liberalisation, would most definitely undermine the 'control area of the state', which would entail a loss of economic sovereignty. Yet the dominant groups within the society (Rich Farm Lobby being one of them) are benefitted. In many ways 'withdrawal of the state' has actually been a transformation of the character of association between state and market. Government and Bureaucracy are still critical in economic functioning, this time the orders come from, 'Washington Consensus', or Bretton Woods institutions.

The above discussion on the role of 'state' and development strategy is important to contextualize the hypothesis undertaken in this study. The state led development strategy in every sector of the economy, be it agriculture or industry has aided certain 'interests',

---

<sup>12</sup>. Prabhat Patnaik, 'Economic Policy and its Political management in the Current Conjecture', Paper Presented in a workshop called 'Democracy and Social Transformation : India 50 Yrs After Independence', Centre for Advanced Study of India, Univ. of Pennsylvania (Nov. 16-19, 1997) :Pg 6.

which in the course of economic growth and development have increasingly got strengthened 'within' and 'outside' decision - making premise.

Agriculture being the core sector of the economy also saw certain 'agrarian interests' assuming their pre-eminent place within state structure in terms of influencing policies. This 'agrarian interest' is however highly differentiated. The upper echelons of the agrarian structure has been able to exercise more concerted influence on the decision-making body than others. They are the large capitalist farmers who have benefitted most from policy-inducements of the state. They possess certain distinguishing characteristics and are located in a particular region of the country, namely the 'Green Revolution' areas of Punjab, Haryana and Western Uttar Pradesh.

#### **Area of Study :**

Punjab which is the area of enquiry in this study happens to stand out in terms of not only being one of the rare success stories of 'agricultural growth', but also in terms of rise of this class of capitalist farmers. In fact during the course of the study, an attempt has been made to collect as many evidences as possible to show the growth of agrarian capitalist structure in Punjab. Not only after independence, but also during the colonial rule. This class of rich capitalist peasant proprietors<sup>13</sup> of Punjab are different from 'rich

---

<sup>13</sup>. In the course of this study, the terms like, 'Rural elite', 'Rich Farmer Lobby', 'Rich Peasant Proprietors', 'Large capitalist Farmers', 'Large Producer Farmers', 'Rich Landed Proprietors' mean the same, i.e. dominance and existence of landowning, surplus accumulating rich farmers.



peasants' of other parts of India who too earn profit from agricultural production, yet they are not so economically and politically prominent as the class in Punjab. Therefore it was worthwhile and interesting to trace the beginning, and the rise of the capitalist farmers who almost attain a strong semblance to an organised farm lobby with subsequent influence in state politics. This has been my endeavour in the subsequent chapters.

To start with, Three major policy phases have been identified to show how each 'initiative', whether by the 'colonial state' or the Independent Indian state' has infused new energy into the capitalist tendency. Each of which have been discussed in form of chapters later on. These are as -

1. The development of 'Canal Colonies' in Western Punjab, where the initial foundation stones were laid for the 'class of peasant-proprietors' to emerge with massive investment from the state to develop a productive base with steady revenue giving potential. Along with this the system of revenue collection and early commercialisation secured their positions even better.
2. Introduction of 'Green Revolution Technology' package with high yielding varieties of seeds, chemical fertilizer and assured irrigation. This policy relied on the already productive base and experienced peasants of Punjab thus outlining the 'continuity' of the colonial past under new circumstances of state guided

developmental strategy of Independent India. This technology was scale neutral, yet it was not resource-neutral, which meant farmers required personal initial investments. Here, the already rich and well-off could afford. The bumper crop which emerged lined their pockets with larger incomes and subsequently increased inequalities. There was change in the magnitude of tenancy, wide spread squeezing out of small producers, more of 'leasing out' land to medium and big cultivators. This phase saw a massive consolidation of rich prosperous capitalist farmers on one hand and the proleterization of small and marginal farmers and landless labourers on the other.

3. The third phase is the 'post liberalization phase' marked by reliance on external market and world prices to guide development. 'Commercialisation' is the key word where surplus producer farmers have readily welcomed the prospect of selling their agricultural produce to bigger markets on international scale. Yet, only a 'minority' among the agriculturist would be able to withstand the 'cost' of market fluctuations and changing demands. Here too the rich capitalist farmers would manage the 'change' in their benefit by virtue of owing large tracts of land and also large investible surplus to change over to more profitable cash crops.

These policy initiatives for agriculture with respect to Punjab, has mirrored the entire development strategy in terms of interaction

between state and market at every stage. Starting from the colonial stage, where the imperialist state had 'developed' Punjab (undivided) in a lopsided manner to aid their survival. Then, under the Independent state, the state-led planning strategy was adopted on mixed economic lines side tracking 'market' to 'state' and finally now the move towards liberalisation and greater market orientation. At every stage, the rich capitalist class has consolidated itself.

### **Literature Review :**

To develop this theme under study in accordance to three phases of development as stated earlier, several books and articles have been consulted and referred to with respect to Punjab. To begin with, M.L. Darling's 'Punjab Peasant in Prosperity and Debt' gives useful insight into the condition of agriculture and agrarian society of Punjab. S.S. Thornburn's book, 'Mussalmans and Moneylenders in Punjab', highlights the problem of indebtedness by the British. Tim Kissinger book, 'Vilayatpur - 1848 - 1868' is also focussed on studying the impact of British rule on Punjab agriculture by looking at Vilayatpur. Dolares Domin (1976) in 'Some Aspects of British land Policy in Punjab after Annexation in 1848' outlines the socio - political background of lower land revenue-system in Punjab. N.G. Barrier's (1965) 'The Formulation and Enactment of the Punjab Alienation of Land Bill' supplements the study on land - tenure system of colonial Punjab. Highlighting the significance of Canal Colonies have been the authoritative works done by Imran Ali, (1989) in his book, 'Punjab Under Imperialism, 1885 - 1947' and article 'Canal Colonisation and Socio-economic change' (1988) puts the fact that development of canal

colonies were the result of 3 main aims of British colonial rule in Punjab : maximisation of revenue extraction, military recruitment and political entrenchment. Ian Talbot (1988) Punjab and the Raj 1849-1947 outlines the British policy of identifying and winning local allies to its side to consolidate its rule by liberal distribution of patronage and directing commercial and agrarian policies in favour of those groups whose support was essential for maintaining order. The Unionist party has been studied in great details here. Work on early commercialization of agriculture was done by Himadri Bannerjee (1978) in 'Growth of Commercial Agriculture in Punjab during second half of nineteenth Century'.

The 'Green Revolution' phase has a lot of researched books and articles dealing with technical and also socio-political aspects of the technology. G.K.Chadha's (1986) well documented book 'The State and Rural Transformation : The Case of Punjab 1950-1985' looks at the entire strategy of agricultural development in Punjab and highlights how phase from GR<sup>14</sup> has shown a steady shift of power from Urban bourgeoisie to the rural elite i.e. surplus producing farmers. Francine Frankel (1971) in 'India's Green Revolution Economic gains and Political Costs', is a valuable study of the political economy of Green Revolution, where increased income inequalities has led to social polarisation. Ashok Rudra (1992), 'Political Economy of Indian Agriculture' highlights how Green Revolution Technology was backed by powerful domestic lobbies which included rich farmers and industrial capitalist class. The

14. G.R (abbr.) - Green Revolution

strategy is analysed in terms of 'cutting edges' which are 'absence of institutional reforms', 'package principle' and 'selectivity'. Baldev Raj Nayyar (1967), <sup>in</sup> Minority Politics in Punjab, has outlined the impact of economic prosperity on the social support of all parties, especially Cong and Akali Dal whose intra-party struggles/tussles and political agenda are reflective of the presence of middle/rich farmers. Tom Brass in (1995) 'New Farmers' Movement', throws light on the mobilisation capabilities of capitalist farmers, by studying movements like Bharatiya Kisan Union.

The liberalisation phase, so far has not seen very many books dealing with Agriculture under its impact. Except for GS. Bhalla (ed.) (1994), 'Economic Liberalisation and Indian Agriculture' which consists of a series of articles written by experts who have outlined the impact of liberalisation on Indian agriculture in terms of specific areas. These papers are mostly technical in nature. Out of which Deepak Nayyar and Abhijit Sen's 'International Trade and the Agricultural Sector', details the impact of world trade regime on Indian agriculture. V.S. Vyas's article 'Agricultural Price Policy : Needs for Reformulation' deals with price policy and possible <sup>changes</sup> under new regime. Finally, Narandra S Randhawa's article 'Liberalisation and Implications for Agricultural Policy-an Over view' details the current status of agricultural development, analyses trends and assesses critically the progress made so far. His book does not emphasise on implications of liberalisation on the agrarian social structure which is where the present study comes in. It is an attempt, in <sup>a</sup> very preliminary way to see whether this outward looking

policy will help the continuation of the technologically inaugurated capitalist development especially with respect to Punjab? How would capitalist farmers benefit from export oriented agricultural strategy? And whether there would be high social cost incurred due to this outward orientation inaugurated by liberalisation?

### **Chapterization :**

To begin with, Chapter 2, traces the roots of the capitalist farmers of green revolution era by focussing attention on the colonial period where early indications are to be found. The British state since 1848 had played a strong Interventionist part in ensuring that Punjab becomes an imperial asset for their political control over rest of India. They had very carefully planned and nurtured the productive base of Punjab, under Sir Lawrence's Punjab School of administration. A distinct class of peasant proprietors emerged who were the direct result of British policy of land tenure system, land lease policies, irrigation networks and revenue collections. The development of 'canal colonies', during the colonial rule was one of the key elements of politico-economic policy pursued by the colonial state. It mainly was created for maximisation of revenue extraction, military recruitment and political entrenchment. For this purpose they settled, 'owner-cultivators' mainly the Sikh peasantry from Central Punjab, who later on consolidated their position and pioneered the agricultural development in Independent India.

Chapter 3, begins with Independence, when institutional reforms like land reforms were implemented aiming at land re-

distribution and tenancy reforms and abolition of intermediaries. The tenancy reforms were effective, yet largely land remained with the already rich and well - entrenched class. Soon the Indian state faced with a 'food crisis' and aiming for national self-reliance, introduced 'Green Revolution' Technology in Punjab. It was a technocratic approach to change, focussing on high yielding variety of seeds and 'capital' intensive infrastructural investment. It naturally aimed at those farmers who had enough investible surplus to adopt the new technology. This process was mainly measured in terms of market orientation it gave to the producers, coupled with high degree of mechanization which are definitely signs of capitalist development. In the long run, it had the adverse effect of worsened income distribution and regional disparities. The small farmers, agricultural labourers emerged as victims whose political voice was lost to the increasingly articulated and organised voice of 'middle and rich peasantry'. The latter's interest began to feature in every political party's agenda. And soon the state government became a spokesman for their cause. These dynamics have been the focus of the third chapter titled 'Green Revolution and the Impacts of the Emergence of rich farm lobby in Punjab'.

The 4th chapter, begins with the impact of liberalisation on agricultural policy in general and gradually reverts attention to Punjab, where visible indications of change are likely to be first observed, being a surplus producing state with high growth rates in agriculture for the past two decades. The theme of the chapter is to

see 'liberalisation in agriculture' more as a tendency than in terms of concrete policy frame work as there is none so far. Yet with 'free trade' and 'international prices', removal of restrictions on commodity movement; it is worthwhile to see whether the 'farm lobby' which has had its presence felt in Punjab politics, is likely to consolidate itself further or not? Though it is too early to predict an allout favorable situation for them, keeping in mind the developed countries and their trade tariffs with regards to food grain trade, especially wheat, which means, that these farmers will have to change their cropping pattern in terms of external market demands.

This is an indication which is being observed in terms of 'shifts' towards devoting more acreage to commercial crop than food crops. The initial investments are high and the per unit cost being on the rise they demand the old benefits of the protectionist regime to remain in terms of free electricity, water and subsidies along with market forces. However, these tendencies have grave implications in terms of endangering the food security and social security for poorer section of agrarian rural structure. The early warning signals are already there in terms of recent farmers' suicides.

The concluding chapter, highlighting the broad observations made earlier, thus building up the theme of the dissertation which attempts to trace the growth of agrarian capitalism in Punjab in terms of a farm lobby and its subsequent influence in politics.



## Chapter II

### Historical Background

Punjab was an agriculturally prosperous region since the pre-partition colonial period. The British colonial state had played a significant role in shaping the agrarian oriented developmental pattern in Punjab during the rule. Therefore, it was due to the British policy imperatives that along with the development of the productive base of Punjab there took place significant changes in the agrarian structure which later emerged on capitalist lines in post-partition green revolution period. This chapter seeks to trace historically the evolution of the agrarian capitalist structure during colonial rule beginning from 1848 when Punjab got annexed from Maharaja Ranjit Singh.

From the British period onwards, there has been a distinct emergence of a class of peasant-proprietors who were the direct result of British policy of land tenure system, land-lease policies, irrigation networks and revenue collections. The Punjab School of Administration, the brain child of Sir John Lawrence, with its paternalistic overtures cushioned this class against the feudal landlord system. Coupled with this was the early indications of commercialisation of agriculture which brought benefits in form of surplus in some parts of Punjab, which was re-invested on land. This feature was especially visible in the 'canal colonies' made out of wasteland by the British. This class of beneficiaries i.e. the peasant-proprietors grew from strength to strength and later on even

spearheaded the 'green revolution'. All along the study an important aspect emerges regarding the role of the state i.e. its active involvement in building the productive base of agriculture in form of infrastructure and extension facilities which further consolidated the growth of this class and their subsequent influence in politics.

S. Ambirajan (1978) opines that, under the British Raj, two branches of political economy aided the administrators in Policy Making - The Theory of Rent and the Theory of Taxation. The use of either depended on the conception of land rights that the particular policy makers entertained. If state was the proprietor of all land, the theory of rent was utilised. If on the other hand, the conception of the state was individualistic, with no special propriety rights over land, then both theories of rent and taxation was resorted to. In Punjab, there was a judicious mixture of both the policies.

The year 1848, when Lord Dalhousie took over as the Governor General of British India, it was marked by several memorable occurrences in Great Britain which influenced development in India as well. It was the year when the corn laws ceased to exist indicating the growing political power of the industrial class. Under the doctrines of free trade and laissez-faire it demanded a larger share in the exploitation of colonial India which meant increasing imports of cheap raw materials and enhanced export of manufactured goods'.<sup>1</sup>

Therefore, 'In order to stimulate supply of raw material as well

XX(J) 4443

N9

---

<sup>1</sup>. Dr. Dolores Domin, 'Some Aspects of British land Policy in Punjab after its Annexation in 1849'. Punjab Past and Present, 1974.

TH-8046

DISS  
338.10954552  
C3495 Fr  
  
TH8046



as demands of manufactured English goods in India, the urgency was felt to create fresh productive power after having ruined the native industry and reduced to poverty many inhabitants of the colony'.<sup>2</sup> In fact, 'Following the uprising of 1857, the British colonial administrators saw the special potential of Punjab either as a source of surplus and support or as a source of serious trouble'. (D.P. Chaudhari and Ajit K. Dasgupta).

Regarding the agrarian structure in Punjab some early observations had been already made by the British administrators. The most important being that Punjab was the 'land of indifferentiated peasant proprietors' (Bipan Chandra, Presidential Address, Punjab History Conference Proceedings, 1982). Another view given currency was that East Punjab was the land of peasant proprietors and West Punjab was the land of landlords. Some of the British administrators like S.S.Thornburn in his book 'Musalmanns and Moneylenders in Punjab' and M.L.Darling's book 'Punjab Peasant in Prosperity and Debt' were aware of various classes within peasantry. For them the term 'peasant' stood for proprietors, occupancy tenants, tenants at will and even farm labourers. P.H.M. Van den Dungen's book 'The Punjab in the Nineteenth Century India' says that the British wanted to create a strong rural base. Therefore, peasant - proprietors were looked upon as political force in times of

---

<sup>2</sup>. Karl Marx, & F.Engles, 'The First Indian War of Independence - 1857-59, New York Daily Tribune, June 23, 1863.

crises. N.G. Barrier<sup>3</sup> who studied the Punjab Alienation of Land Bill of 1900 said that the British Administration was helping the peasant rights against the claims of other classes and interest groups. Another interesting work was by Tom Kessinger called 'Vilayatpur - 1848 to 1868' throwing light on the change in agrarian structure and agrarian relations after British annexation.

Therefore, Punjab was the first province of British India in which the non-regulation system was practiced. In Punjab a simplified administrative set-up was built and a single unitary functionary was entrusted the function for about two decades. From the onset the British policy was marked by unusual cautiousness in the complex field of agricultural relations. The imperial experiment of the colonial state conducted in the Punjab between 1849-1856 was essentially an experiment in the accumulation and exercise of political power (Andrew J Major). The British set out to rule the Punjab more directly and more exclusively than had hitherto ruled any region in the sub-continent, and this entailed a deliberate weakening of those social groups which might otherwise have shared power with the British - the old intermediaries - in particular, the chieftains and the intermediary zamindars who bore the brunt of the impact, and by 1856 their position was much changed. The British had attempted to transfer almost entirely the base of their political support from the intermediaries to the upper stratum of the

---

<sup>3</sup>. N.G. Barrier, 'The Punjab and Communal Politics, 1870-1908', *Journal of Asian Studies*, vol.xxvii, No.3, pp.524-26.

peasantry.

After 1849, there was a streak of anti-feudalism in British policy of revenue assessment they were concerned more about the plight of non-proprietory peasants and conferred upon them a superior tenant status.

Initially, the main and basic aspect of land revenue system of Punjab was borrowed from what was followed in North-western Frontier Province. In fact, J.S. Mill, in praise, in his 'Principles of Political Economy' (1848) said that the earlier Bengal Zamindari Settlement was a failure, allowing a group of society to live 'as useless drones on the soil'. Therefore the utilitarian notions behind the Punjab Land Revenue Settlement was more progressive. A major feature of this settlement was recording of land rights, which created a class of peasant - proprietors who were self-cultivating owners with a direct relationship with state as far as payment of revenue was concerned. The land settlements by the British took into consideration local customs and therefore, the first settlement upto 1855, followed the 12 years occupancy peasant-proprietorship within a village, whereas the claimants from outside the village would require to have 20 years of occupancy. The rent that was fixed in the settlement was not to be increased in another 20-30 years after the settlement. In the first settlement both tenants and peasant - proprietors had rights to till the land and pay rent to the state subsequently.

According to the III Administrative Report of 1854-56, the average rate was fixed at one fifth decreasing according to poorer

yields up to one eighth of the produce. Thus, Punjab peasantry was burdened with the lowest per head land taxation in the middle of 1850s. Here, the British Administrators were aware of money lenders in the villages and therefore they brought about an obligatory registration of all bonds from Rs.50/- onwards to protect the inexperienced peasants from manipulation.<sup>4</sup> British recognised peasant - proprietors, well - proprietors (also called inferior proprietors) and occupancy tenants. When revision of settlement was started in 1865, Princep who was in charge of it, divided cultivators into 5 distinct groups : Soon Punjab Tenancy Act (XVIII of 1868) was passed following disputes between cultivators and tenants. Some of the features of this act spelt out as follows:

1. Definition of occupancy tenants was clarified.
2. Rent was to be regulated by the state officials only and there was no eviction of tenants, without the cases being tried in the civil courts.
3. Rent payable by the occupancy tenant would be enhanced only by a decree of the court.

What is noticeable here is that the landed people are extremely conscious of their rights with the help of settlement acts followed by the British Administration.

Another innovation by the administration was to develop a whole new area of cultivable land and settle a class of peasants there

---

<sup>4</sup>. Dolores Domin - op.cit.

with no trace of feudalistic land arrangements and land relations. The mainspring for these developments was the process of agricultural colonization that opened up the hitherto arid wastes of Western Punjab Doabs or inter-fluves through network of perennial canals. (Imran Ali :1989).<sup>5</sup> they were also known as Bars and were the breadbasket of India before independence. Embracing an area of five and half million acres, they were developed in the districts of Lyallpur, Sargodha, Montgomery and Multan, (Randhawa, M.S. 1983). Here the owner of the land was to till the land too and pay revenue to the state. For this the British government had colonised large tracts of waste-lands or bar lands where they developed irrigational networks and decided to lease out land to able cultivators which would facilitate them to acquire full proprietary rights after a period of time. These waste lands had no agricultural population, they were inhabited by pastoral population known as Janglis. These Janglis were pushed out of the land to make way for incoming colony grantees as they had no knowledge of agricultural practices. There was a transfer of peasants and cultivators from other parts with proper land rights. Here the British made some strategic decisions over the allotment of land. (Imran Ali : 1988). Firstly, they confined land grants to Punjabis rather than people from other provinces. They tapped for colonists from those parts of the Punjab that had higher population densities. Districts of Central Punjab was said to

---

<sup>5</sup>. Imran Ali, 'Canal Colonization and Socio-Economic Change', in Indu Banga (ed.) 'Five Punjabi Centuries - Polity, Economy, Society and culture C.1500-1900', Manohar, 1997.

be suffering most from population pressures, then came the Barani Tracts of North-Western Punjab that had excess numbers and that could provide migrants. 'The granting of commercially valuable canal colony land was both economic and a political process which created beneficiaries who were beholden to the state'. (Imran Ali :343). Secondly, grantees had to be skilful agriculturists. Again the British believed that the best source of such endowment was Central Punjab districts.

This class took shape and consolidated position under the long process of government land grants under Punjab Waste Land Rules of 1868. These rules subsequently took the form of Government Tenants Act III of 1893. In them, the peasant grants ranged from 1/2 sq. to 3 sq. of land. On the basis of the tenure, the colonists were divided into two distinct categories :

a) Ordinary Grantees :

Consisting of seven groups namely peasant, yeoman, capitalist, janglis, auction-purchasers, military grantees and depressed classes.

b) Services Grantees :

Were conditional consisting of camel servicing, mule servicing and tree planting etc. Therefore, those in military services were granted land and hence the general trend was towards private ownership. Soon it was also observed that between 1875-1900, a new category of 'new agriculturists' developed who owned 36% of the mortgaged land. They were an amorphous group



consisting of money-lenders, artisan class and Mazhabi Sikhs. The regular recording of land acquired by them started in 1866. What is interesting is, that 2.4% of the cultivated area was sold to the money-lenders. However, the most important peasant-proprietors remained the Jats and Sikhs. In fact, there were Sikh peasant - proprietors in Central Punjab, Hindu peasant proprietors in Eastern Punjab and Muslim proprietors in Western Punjab.

Since the rights of land had already become valuable in view of rising price of land, the approach of new settlement in 1872 brought to head a sharp conflict between peasant - proprietors and tenants. 'Although nominally the proprietor could make use of the right to expel a tenant, in practice such a decision was hardly taken because it was above all his labour that guaranteed the solvency of the proprietor.<sup>6</sup> By 1883 - despite high ejection suits, the cultivators decided to pay high rent. This phase also saw the replacement of kind rent by cash rent. This cash payment was a sign of prosperity which increased due to migration of some land lords to canal colonies subsequently, even brought about increase in the irrigated area.

The new revenue settlement had various grades of revenue collection like land revenue, water revenue and water - advantage revenue for canal colonies started for the first time in 1869-1870. However, an important adverse effect of the new agrarian

---

<sup>6</sup>. Baden-Powell, 'A Short History of land Revenue and its Administration in British India'. 1892.

environment was indebtedness and land alienation as studied in detail by M.L. Darling and S.S.Thornburn, as the British could not entirely do away with the money lenders due to lack of alternative credit system.

According to Himadri Bannerjee,<sup>7</sup> due to growing commercialisation of agriculture, the introduction of a fixed inelastic revenue demand, the occurrence of famines and the fragmentation of holdings created a market which led indirectly to universal indebtedness among landholders of Punjab. In some cases as is observed above, bad administration and a vicious system of money lending intensified the problem. According to an official estimate of 1899-1900, sale of land increased by nearly 431% since 1865, while number of mortgages increased by about 200% between 1875-1900. In a number of districts the bulk of these transfers went in favour of professional non-agricultural money lenders i.e. among Banias, Khattris and Aroras. In extreme Western districts, the incidence of money lending gradually assumed a serious dimension where the problem of dispossession of landholders was often intensified by religious differences between the debtor (Muslims) and creditor (Hindu). Since, British army had a lot of soldiers from Muslim land holding families - an enquiry was instituted under S.S.Thornburn who published a book called *Musalms and Money Lenders in Punjab*.<sup>8</sup> Ultimately a drastic solution was proposed to save the

---

7. Himadri Bannerjee, 'Changes in Agrarian Society in the late Nineteenth Century in Indu Banga (ed.)' 'Five Punjabi Centuries - Polity, Economy, Society and Culture, C.1500-1900,' Manohar 1997.

peasantry of the Punjab from expropriation by money lenders. This was Punjab Land Alienation Act of 1901.

The broad effects of this act was that money lenders, shopkeepers, and professional men could not buy land from hereditary cultivators, or hold such land on mortgage for more than 20 years, without the consent of the state. Hence hereditary cultivators could only dispose of their land to tribesmen of their own class without restrictions. Soon Cooperative Credit Societies Act of 1904 was enacted to check indebtedness.

Agrarian policies after 1849, was to pacify the martial race and the province of the sword and establish stable productive base for the stability of the British empire. Imran Ali observes, that after 1900, indeed, the lists of agricultural castes drawn up for each Punjab district under the Alienation of Land Act were utilized to determine those who could be eligible for land grants in the canal colonies. The poorer, non-landed elements of a village society were thereby excluded from proprietary or occupancy access to colony land. The service caste or Kamins could benefit only through employment opportunities as landless labourers and sub-tenants. Richer non-agriculturists did have the opportunity to purchase canal colony land at auctions and were allotted grants for services in the government. Thus the benefits of agricultural colonization were largely shared among the already better off sections of Punjabi society. Landholding castes of Central Punjab were perhaps the most prominent, and a good proportion of these grantees were Sikhs. They belonged

especially to the various sub-sections among the Jats. This arrangement of agricultural colonization, highlighted the great political value of land - grants and how Punjabi elite moved towards an accommodation with imperialist rule that was to severe the growing claims of nationalism.

These castes also formed the backbone of Sikh component in the British Indian army. Since, the major portion of soldiers in the army came from Punjab, the military consideration continued to be an important underlying influence on land utilization in the canal colonies.

The Bari Doab - The seat of Punjab power where Jat Sikhs got more land than their proportion in population saw a particular caste getting enhanced which had long term implications more refinedly put by Bipan Chandra who said that, the political strategy of pacification and generating support for the British Rule was interlinked with the preparation of the Punjab for colonial exploitation with the adaption of various projects.<sup>8</sup> But the positive aspect to be noted here is that, as B.S. Saini<sup>9</sup> puts it, that, the various forms of peasant - proprietors created by the British Land Policies in both Western India and Punjab gave credit worthiness to normally impoverished peasants. Land ownership was made

---

<sup>8</sup>. Bipan Chandra, 'Re-interpretation of 19th century Indian Economic History', The Indian Economic and Social History Review, 1968.

<sup>9</sup>. B.S. Saini, 'The Social and Economic History of the Punjab Including Haryana and Himachal Pradesh, 1901 - 1939, ESS Publishers, Delhi, 1975.

transferable and owing to settled conditions, land values were showing an upward trend which meant the transformation of land into an attractive property. Thus, land as a saleable property and early monetization of rural markets showed clear indication of doing away with feudalism. Still more to strengthen the case for development of capitalism, it was found that since the 50s of the 19th century there was a switch from traditional methods to modern methods catering to commercialisation in agriculture. It is recorded that experiments were made in various districts of the provinces with Egyptian cotton due to British government's necessity to feed the fast growing cotton textile industry in England, which is clearly evident during the American Civil War in the 1860s. The American, Mexican and New Orleans varieties of cotton were found suitable for cultivation in India. They were the kinds required for Manchester spinners. It was seen therefore that between 1860-61 larger cotton crops had been sown in most parts in Punjab than ever before. It was not a surprise to see Punjab emerge as the chief wheat exporting province of India in 1879. Himadri Bannerjee in his Article <sup>10</sup> clearly indicates that the ulterior motive of the British was to cater to the economic needs of Britain. Therefore, railways were built to stimulate wheat and sugarcane cultivation. These early market stimulation influenced the choice of crops i.e. Rabi to Kharif. The desired surplus for exports came from a few districts only which became dependable

---

<sup>10</sup>. Himadri Bannerjee, *Growth of Commercial Agriculture in Punjab during the second half of the Nineteenth Century*, Punjab Past and Present, (1978).

source of recruitment for armed forces. There was a marked change in the pattern of marketing of agricultural produce.

In some parts trade was handled by peasant proprietors themselves who brought the grain in their own carts and disposed it off to grain merchants. Sometimes agents of European merchants too purchased from important marketing centres. This reduced middlemen and larger share of profits went to the peasant-proprietors. Here the Jat farmers of Ferozpur and Ludhiana were particularly benefitted.

The turn of the century was a period of change in the political situation in Punjab. The 1907 peasant related protest came against high assessment. The colonisation bill sought to change the basis of land relationships. It tended to convert the peasantry into a position of mere tenants, it even tried to modify the tenure system and thus planned to convert the lands into plantation after the pattern of Assam which could result in reducing the owner to the status of a cultivator only.

Since, the British times there had been some indications towards growth of rural and credit marketing. In fact, a Royal Commission on Agriculture (1928) had recommended the establishment of primary agricultural cooperative societies in the state and British Administration took in that direction. A major boost however came after 1947, when by 1971 all villages were powered by Primary Agricultural Credit Societies (PACS).

Then, there have also been early attempts towards consolidation of land holdings which was started in 1920 through

cooperative consolidation societies. Between 1921-51 only 2,80,000 acres could be consolidated. Soon after Independence, this entire procedure assumed tremendous importance. As for communication network system, <sup>the</sup> British built roads and, they repaired the Grand Trunk Road, later this road was to be supplemented by 'feeder roads' from each village to major market centres catering to Hirschman's suggestion of promoting market efficiency.

Therefore 'unlike many other states with a colonial history, the British rule in Punjab was less pernicious in form and less exploitative in operation...for example, the controversial permanent settlement of land produced in Bengal was never imposed on the Punjab Peasantry ...they reformed land institutions and the revenue system in such a way that in addition to the procurement of necessary funds for administration, friends among enemies were increased'.<sup>11</sup>The strengthening of these groups had a pronounced impact on the political economy of the Punjab. This was indicated by the relative weakness of nationalism, and the continued vibrancy of the British supported and landlord led political formation of the Punjab National Unionist Party (Imran Ali :1988).

On the eve of partition, Punjab had a strong infra-structural base. Partition disrupted the economy. East Punjab inherited 44% (population) and 36% (land). The rich canal colonies of Lyallpur, Montgomery and Sargodha remained in Pakistan. Irrigated land with the Indian Punjab was just 33% and the gap in area was about 24

---

<sup>11</sup>. G.K.Chadha, 'The State and Rural Economic Transformation- The Case of Punjab 1950-85, SAGE Publication, 1986.

lakh acres between East and West Punjab. There was also tremendous dislocation of people from either side of newly demarcated border. About 32.5 lakh persons migrated from east Punjab. They formed 17% of the population of Indian Punjab. In 1951 Hindu and Sikh cultivators were displaced from an area of 6,700,000 acres.<sup>12</sup> Most of those who had been settled on the canal colonies of west Punjab from the central and south eastern districts were resettled back in the region of their origin. Meanwhile, the area under tenancy had been rising very steadily. Soon consolidation of holdings and fragmentation Act was enacted in 1948. Followed by other land legislation like, Punjab Occupancy Tenants Act (vesting of proprietary rights) 1952, The PEPSU Occupancy Tenants Act, 1953, Punjab Abolition of Ala Mulkiyat and Talukdari Rights Act, 1952, PEPSU Abolition of Ala- Mulkiyat and Talukdari Rights Act 1954. The ceiling laws on land was enacted in two phases - from 1955-1972 and then from 1973 onward. Both consolidation and reforms brought more cultivable land under plough.

Since both the provinces had a fair system of land records - the process of verification was completed by 1949. The land was curtailed, due to partition, and the per head acre was lower in East Punjab than West Punjab, for which a scheme of graded cuts was devised in making fresh allotments ranging from cuts of 25% of those holding 10 acres in west Punjab to 95% for those holding more than

---

<sup>12</sup>. M.S. Randhawa, Green Revolution, Delhi, 1974. pp.31.



1000 acres.<sup>13</sup> In this case land became concentrated highly on the middle level peasants. This system contributed towards levelling down of the extreme inequalities in the structure of land holdings in pre-partition Punjab. Moreover, as M.S.Randhawa pointed out that, as Refugee land owners had substantial holdings in West Punjab, they were more experienced and more receptive. It was they who in due course spearheaded the Green Revolution Technology to begin from the mid-60s. Since the total irrigational structure that was inherited was just the Upper Bari Doab, the Sirhind Canal and Western Jamuna Canal, there was urgent necessity of building more canals - hence, what developed later was a combination of both canal water and tube-well irrigation system. In the 1950s, the Indian leaders enacted legislation which officially liquidated non-cultivating land owners, intermediaries who stood between the agriculturist and the state.

T.J. Byres says<sup>14</sup> that the ideology of land reforms was geared to the interests of the rural sector, and in its promise to dis-inherit the large feudal interests and benefit all sections of the peasantry seemed, at least momentarily to benefit even landless labourers and abstracts from the differentiation and opposition of interests which existed among the peasantry.

---

<sup>13</sup>. Tarlok Singh, 'Towards an Integrated Society, Orient Longmans, New Delhi, 1969, pp.223.

<sup>14</sup>. T.J. Byres. 'Land Reforms, Industrialisation and the marketed Surplus in India : An Essay on the Power of Rural Bias,' in K. Griffen, 'The Political Economy, of Agrarian Change : an Essay on the Green Revolution', Macmillan, 1974.

But, apart from the initial phase of abolition of great zamindar and jagirdari intermediaries - the later phases of tenancy reforms and redistribution of land had not been accomplished with significant success. In fact ceiling legislation was passed slowly and reluctantly in different state legislatures with a wide array of built in loopholes and Punjab was no exception. In 1953, the ceiling on area under self cultivation was fixed at 30 standard acres for local land owners and 50 standard acres for displaced persons from Pakistan. In 1955 the land held by the later category was lowered to 40 acres and by 1972 it was further lowered to 17.5 acres of irrigated land for both local and displaced landlords. The act however did not debar adult sons of landlords from holding the same amount of land, hence they were large scale circumvention of laws due to a number of loop holes and benami transactions abounded.

Hence, T.J.Byres opines, that the greatest beneficiaries of land reforms were the rich peasants who had been stabilised as independent proprietors from earlier on as is seen in Punjab. Moreover, legislation to regulate tenancy sought to extend protection not to all classes of tenants, but to a certain specified sections belonging to the upper layers of tenantry. There was a rise in the amount of land rented in by rich peasants, who gained control over larger tenanted area.

Apart from this, the other aspects of rural development was taken care of, because the political power structure helped a great deal as there was a steady shift of power from the urban bourgeoisie to the rural elite and the farming population. This reflected very

much in the government policies because despite their political leanings, they all have pursued vigorous programmes of rural development especially, in building a strong infra structure. The economic culture of Punjab was perhaps different from other parts of the country. The Punjab peasant was known for his talent and is quoted well by Darling and several others over years before Indian Independence. They had great economic acumen, despite low levels of rural literacy, their responsiveness to price-stimuli on investment opportunities are well known facts.

### Chapter III

## GREEN REVOLUTION AND THE EMERGENCE OF RICH FARMER LOBBY IN PUNJAB

After independence India's approach to agricultural development was characterised by a commitment to two co-equal, yet often irreconcilable goals : the economic aim of achieving maximum increase in agricultural output to support rapid industrialisation; and the social objective of reducing disparities in rural life.<sup>1</sup>

The period between 1947, (when India became independent) and 1966 saw three major evolutionary steps in agricultural planning and development. In the first phase between 1947-60 considerable emphasis was placed on the development of infrastructure. The second phase saw the introduction (1960-65) of Intensive Agricultural District Programme (IADP) which was designed to introduce a package of practices such as the cultivation of improved varieties and application of fertilizer and pesticides in areas with assured irrigation. The deficiencies of the 'package programme' (IADP) were resolved in 1966, when the Ford Foundation recommended strategy of growth based on use of 'miracle' high yielding varieties of seeds. This strategy of growth was based on the assumption that as all farmers are economically rational, agricultural growth will occur if the needed technology, information, credit, and marketing channels

---

<sup>1</sup>. Francine Frankel, 'India's Green Revolution : Economic Gains and Political Costs, Princeton University Press, 1971.

are made available to them along with assurance of a 'fair' return on this investment. Because resources were scarce, it was recommended that they be directed first to those areas and farmers who already were in the best position to use them, those with more land, irrigation and an existing tradition of high productivity. Punjab more than qualified in terms of these conditions. The additional resources generated by the 'Progressive' farmers could be used to help others further down the road. In other words, there could be a 'trickle down' of benefits over time. This strategy only helped to consolidate the rich peasant class and furthered agrarian prosperity initiated during colonial rule.

The incentives for the 'new technology' called the 'Green Revolution' were provided by government's credit and pricing policies. As, M.S. Swaminathan put forth, that, 'The Green Revolution in Developing countries essentially has been a public sector enterprise...(though), It is predominantly a private sector enterprise in the developed world' (144:1996).

The Green Revolution signaled, "the beginning of a transformation of agriculture from an impoverished 'way of life' to a profitable business occupation" (Frankel : 1971). In this enterprise, the state of Punjab has helped itself to become a symbol of power of the new technology to break through the seemingly eternal circle of India's poverty by spearheading an agricultural 'take off'. Historically it is useful to divide the process of agricultural transformation in

Punjab into a definite sequence of 4 phases.<sup>2</sup> The first phase roughly covering the whole of 1950s is characterised by a twin policy of land reforms and creation of huge agricultural infra-structure through massive doses of public investment. The legislation on abolition of intermediaries, ceilings on land holdings, protection of tenants and consolidation of holdings were passed. During the mid-50s, simultaneously, the most important hydro-electric project - The Bhakra Nangal was completed during this period and firm steps were taken to strengthen co-operative credit machinery and lay the foundation of agricultural research and extension. The second stage, covering the first half of 1960s witnessed adoption of selective area approach, mechanization of irrigation, increasing use of chemical fertilizers and a breakthrough in agricultural research. The Third stage commencing from mid-60s and ending in early 70s consisted of consolidating the gains of two stages by introducing a highly productive agricultural technology primarily in wheat thereby derieving unprecedented growth of wheat output. The Fourth stage beginning from the early 1970s consisted of extension of green revolution to rice and achieving much higher crop intensity.

The New Agricultural technology adopted in Punjab was a package of certain bio-chemical and mechanical inputs. There existed complementarity in the use of these inputs. For example, higher level and intensity of irrigation available and its controlled supply

---

<sup>2</sup>. G.S.Bhalla & G.K.Chadha, 'Green Revolution and the Small Peasant : A Study of Income Distribution Among Punjab Cultivators', Concept Publishing House, New Delhi, 1983.

promoted the use of HYV seeds and fertilizers. Tubewell irrigation was best suited for this seed-fertilizer combination, which paved the way for greater cropping intensity. Apart from this, one of the most important reasons for agricultural transformation in Punjab has been the existence of favourable institutional structure. The Mahalwari system of land settlement had conferred land rights to the cultivators in the village communities and by and large, the land was self-cultivated. The various land-reforms introduced after independence, resulted in the emergence of self-cultivation as the predominant mode of production. Moreover the self-cultivating farmers of Punjab have always shown immense initiative in adopting new technology which promises to augment their earnings. As rightly recognised by Theodore, W.Schultz who commented that, 'in the strategy of transforming traditional agriculture into modernised agriculture, incentive to guide and, reward farmers are a critical component. Once there are investment opportunities and efficient incentives, farmers will turn sand into gold' (1970:5). A strong base of irrigation had all along been the main strength of Punjab agriculture. In 1950-51, 52.30% of gross cropped area in Punjab was irrigated against 17.50% only at the national level. Because of high public and private investment in irrigation, the percentage of gross cropped area expanded to 87.30% (1979-80) while in India it expanded only to 30.78%. This had enabled Punjab to expand its double cropped area to a much greater extent than any other state. Between 1967-68 and 1978-79, cropped area under HYV wheat increased from 35% to 96.20% in the state. The total electricity consumption by agriculture

was 43% of the entire consumption pattern, while the all India average was just 12%. Some of these inputs such as fertilizers, seeds and insecticides, pesticides etc. are divisible and could be used irrespective of farm size. On the other hand certain other inputs such as tractors, tubewells, threshers and combine harvesters etc. are indivisible in nature and required lumpy investment, which meant only the large farms could afford it. Due to spurt of tractorization, there was necessity of timely completion of field crop operations on one hand and of relieving the pressure on demand for labour on the other. Though the labour displacing aspects of new machines was noticeable, yet it was only in terms of displacing human labour in individual operations. Otherwise, increased cropping intensity, changes in cropping pattern, rising production and intensive use of others inputs was labour absorbing. Yet the dependence of big farmers over labourers was not so marked as his dependence on modern inputs.

Meanwhile the crash programme for rural roads initiated in later 1960s made a tremendous impact on the speed of transportation contact with urban marketing and industrial centres and on the operational efficiency of the extension services. In 1979-80, 97.01% of the villages were linked with roads. To supplement all this was the research at Punjab Agricultural University, and holding of agricultural fairs to educate the farmers.

'Green Revolution is associated with a host of things - some of



the familiar <sup>elements</sup> - like the new rice and wheat seeds, their associated inputs, the tighter bindings of cultivators to external suppliers and markets, and the shift in class and regional incomes. Other elements are less familiar, or at least not commonly associated with the Green Revolution such as the more extensive and intensive exploitation of resources for food grains production, the increase in economic and local political strength of producers, the partial displacement from the rural economy of the former non-cultivating elites and subordinate service-groups and the emergence of political parties speaking for cultivators. Associated with these changes are many others, such as land reforms, tighter linkages to commercial markets and to government services and class polarization'.<sup>3</sup>

It is important therefore to study as Terence.J. Byres,<sup>4</sup> puts it, the influence of technological innovation upon the process of class-formation and class-action in the country side, the relevant political implications, especially, with respect to Indian state power and its class basis. That is, in contemporary India, it is important and worth while to investigate the problematic within which the political economy of technological innovation is to be investigated with respect

---

<sup>3</sup>. Robert. S.Anderson, Paul.R.Brass, Edwin Levy and Barrie. M. Morrison (ed.), 'Science, Politics and the Agricultural Revolution in Asia'. [AAAS selected Symposium Papers, 1982].

<sup>4</sup>. T.J.Byres, 'The Political Economy of Technological Innovation. In Indian Agriculture, in Science, Politics and the Agricultural Revolution in Asia', 1982.

to whether or not capitalism is developing in the Indian country side, and if it is the extent to which it is developing and whether there are limits to its expansion. For example, many of the prices that matter in the agricultural sector, particularly the price of material inputs are 'political prices', not prices determined exclusively by economic forces. (Griffen :1979:16). These political prices are very much the result of class-action. Therefore, technology does not fall from heaven, and neither does it exist in a social and political vacuum. It is appropriated by specific classes and used to further class interests. To study this in details one has to scrutinize every aspect of agrarian relation to know how economic sphere has interacted with political and social sphere.

As far as institutional arrangements were concerned, 'Unlike many other states of India, a very important feature of Punjab's agrarian structure is the continuing predominance of middle level peasantry, both in numbers and area. For example, in 1953-54, holdings, say between 5 to 20 acres constituted 41.72% of the total holdings and shared 45.79% of area operated in Punjab in 1971-72, these percentages increased further to 56.82% and 59.09% respectively' (Bhalla & Chadha : 1983 :19). The small land owners who did not possess enough financial capability to purchase 'surplus' land, later in 1960s under the technological changes brought improvements in productivity and income-levels. And small farmers (owning between 2.0 - 2.5 acres) could generate adequate farm surplus which they used for purchasing more land. However the

A large number of them, especially those owning very tiny plots have chosen to opt out of cultivation, and lease in land, while many others augment their meagre farm income through dairying, wage employment and other non-farm activities.

The cultivated area under tenancy had sharply declined from 48.6% of net cultivated area in 1947 to 33.6% in 1957 and only 19.3% in 1973 especially after the introduction of the new technology. The landless tenants were the worst hit. From this it is easy to gauge that new technology was not neutral to scale, that is, it was not uniformly spread to all categories of cultivators and it was most definitely designed to benefit middle and rich farmers.

The 'New technology' was intensive in the matters of capital inputs per hectare, hence the adoption rate was higher among bigger farmers than among small farmers, and higher among owner farmers than among tenant farmers. Because of their better resource position, bigger farmers could go for modern inputs in greater quantities than smaller farmers and thus approximate more closely to the private profit maximising combination. These factors further accentuated the fact that bigger farmers enjoyed greater access to institutional credit and other production augmenting facilities provided by the government. The yield per hectare under the new technology increased with farm size (Bhalla & Chadha, 1983). More income among bigger farmers generated more savings among them. This had given rise to a cycle of larger income - large savings, capital investments and yet larger income among big farmers (Lock wood).

In Punjab, during the period between 1955-56 to 1967-68, bigger farmers (more than 20 acres) had increased their land ownership through purchases by about 10% and farmers having land between 100 to 150 acres had done so by 40%. According to Kahlon & Singh (1973) large farmers have increased their land ownership by 16% and small farmers lost land by 38%.

Interestingly A.Rudra, observed that, 'the type of labour used also seems to be affected by the New Technology. There is a shift from family labour to hired labour, which is not surprising, given that farmers who can afford the new technology belong to the upper brackets and may therefore be expected to have a high degree of preference for leisure' (1992 : 193). While farmers have resumed cultivation for its profit viability there has been changes in the modes of rent payment e.g. share-rent, fixed cash rent, fixed - kind rent etc. There has been a tendency among the owners to become more and more the actual decision makers. The tenants became indistinguishable from a permanent farm servant and tenancy system was nothing but a convenient form under which a big owner who leases out in part relieves himself of the burden of labour management while performing the major entrepreneurial functions.

As is evident, a technology transformation of this magnitude along with initial institutional reforms is bound to have a profound

impact on the agrarian structure of the state. In Punjab too, in the process of agricultural transformation, agrarian structure and technology have interacted with each other. When examining the social and economic implication of the new strategy, the Green Revolution not only brought about a phenomenal growth in the income of agriculturist, but also the inherent conflict between twin objectives of development i.e. growth with equity, as observed by Ladejinsky. All structural changes induced by the Green Revolution have had an impact on the economic and social position of the various groups and categories and they bring into focus the question of the interests of each category vis-a-vis the other and this has profound political implications. Each interest group will endeavor to safeguard its own interests through political moves. Political forces may initiate or stimulate structural change or political action may follow as a consequence of structural changes already set in motion. Soon after Green Revolution many studies have confirmed the trend towards increasing structural inequalities. One such aspect is land distribution and ownership holding especially, in the context of poor agrarian economies, the ownership of land is synonymous with power, social status, privileges, control and access to local and state institutions and so on. More so in case of Punjab, there is a strong pattern to show that land distribution, largely determines income distribution, pattern of accumulation, resource utilisation and adoption of technological innovations and also distribution of developmental gains among different sections of society.

T.J.Byres,<sup>5</sup> came to the conclusion that the new strategy was marked by a higher rate of capital formation, greater tendency towards labour displacing mechanization and a new relationship with agricultural labour. There was an increasing shift from customary relations between cultivators and **jajmans** to hired labour on cash payment. T.K.Oommen has identified 5 factors which combine in various ways to contribute to agrarian tension. These are -

- a) A perception of income disparities by the rural poor,
- b) A viable numerical strength of the agricultural labour force and consciousness of their political bargaining power,
- c) Adequate support by political parties,
- d) Rising aspirations of the rural population,
- e) The lack of fit between the socio-political order and the economic order.

Francine Frankel, while analysing India's development process and Punjab's Green Revolution particularly, noted the contradictions inherent in advocating and introducing growth strategies leading to growing economic disparities and at the same time introducing

---

<sup>5</sup>. T.J.Byres, 'The Dialectic of India's Green Revolution' in South Asian Review, Vol.5, No.2, Jan.1972.

schemes like technical training to unemployed youth and providing employment and aid to small and marginal farmers and landless labourers.

G.S.Bhalla and D.S.Tyagi (1989 a, 1989b) recently made a detailed analysis of the spatial disparities resulting from the unequal adoption of technology. They divided the post-Green Revolution period into an initial phase extending from the mid-60s to roughly mid 1970s and, a later period running from the mid 1970s to mid 1980s. By comparing agricultural growth rates for major crops in the two periods, they found that the gap between the north-western region and the rest of the country has widened with Punjab having over 8% per annum as growth rate.

Several studies by Dasgupta (1977), Frankel (1971), Griffen (1989); Ladejinsky, (1969a, 1969b) Pearse (1980) showed how technique was captured by rural elites. The less privileged majority near landless cultivators, tenants and landless labourers were bypassed. Biplab Dasgupta (1977:372) concluded that among the unfavourable consequences of technical change were 'proletarianization' of the peasantry.

After the Green revolution, Chadha observed a tendency towards disappearance of the distinction between the urban and the rural parts of the society and between agricultural and industrial sectors of the economy. He notes that, '...', the process of urbanisation

in Punjab has its roots in the rural areas. A growing agriculture, especially with its fast pace since the close of the sixties, has provided a strong stimulus for urban marketing and trade... especially, a large majority of the Punjab towns serve as agricultural marketing and trade and agro-industrial centres "(1986:34-35) Gail Omvedt has observed that, 'the nature of rural assets also suggest another fact about the nature of the rich farmers : their property and power is not simply in agriculture. The rich peasants, landlords and the emerging capitalist farmers began to invest on a wider scale, rather than simply consuming surpluses. Some moved into trade in direct competition with previous merchant classes and castes' (1983 :42). Despite aggravated and extraordinary production levels reached under Green Revolution in Punjab, poverty, prevailed in a subtle manner. A pioneering study of identifying rural poverty in the Punjab has been done by Indira Rajaram who analysed the structure of inequality over the decade 1960-61 and 1970-71 through a review of the consumption pattern of rural households. The data collected from National Service Scheme was divided into 3 fractile groups, the poorest 30%, middle group ranging from 30% to 74% and an upper group of 74% and above. The poorest group spends the most on food and the middle and upper group spend lesser amounts. While looking at the occupational composition of rural Punjab, agricultural labourers increased from 17.45% in 1960-61 to 40.51% in 1970-71 and cultivators declined from 53.02% in 1960-61 to 31.35% in 1970-71.<sup>6</sup>

---

<sup>6</sup>. Indira. S.Rajaram, 'Poverty, Inequality and Economic Growth Rural Punjab 1960-61, 1970-71, Cornell University, Thesis, 1974.



Bhalla in his survey has shown that in Punjab between 1961 and 1971 there was a doubling of the number of landless labourers. The small cultivators were not dispossessed entirely of their land. But the significant noticeable fact was that the traditional means for their viable self-employment, through leasing in supplementary land from large owners was now withdrawn or much less available to them. So decline, in opportunities for small farmers to lease in lands as a result of both resumption and tenant switching were conditions created by the new technology which brought about depeasantization. Small peasant and tenants were increasingly pushed out of self-employment into wage labour. They faced the bleak prospect not only of increasing economic disparity, but also of 'an agonizing change from security in the midst of poverty to growing insecurity along with poverty' (P.C.Joshi).

Rural proletarianization also included a significant number of artisans and craftsmen who are also being separated from their means of production, and joining the army of landless labourers, as a result of being rendered obsolete and totally unemployed.

Ashok Rudra,<sup>7</sup> opines that since no strategy could have been accepted nationally without the backing of powerful domestic lobbies, the Green Revolution strategy too had received increasing support from the rich farmer class as well as the industrial capitalist class, both of whose interests it is designed to serve. 'The first cutting edge

---

<sup>7</sup>. Ashok. Rudra, 'Political economy of Indian Agriculture, K.P.bagchi and Co. 1992.

of the strategy is the total absence in it of any consideration of institutional reforms. It is a strategy for increasing production by the most effective use of the technological factors alone, which are assumed to be capable of being manipulated without necessitating the manipulation of the institutional frame work. It is a strategy that aims at changing the factors of production, without aiming at any concomitant changes in the relations of production' (1992:155).

The package principle is the second cutting edge of the strategy. It meant that complementarities in inputs are to be taken care of in their application, was a common place idea. What was not a common place idea was that, resources being scarce, it was wasteful to spread them thinly on all farms; optimum use of resources requires that they be applied in optimum dozes and in the right combination only to those farms which can make the best of them. The corollary of this intensive approach was selectivity with respect to farmers, who can have a command over working capital to make use of this technology. The strategy was thus aimed at maximising short-run growth of commodity production at the cost of increasing the disparity between the richer and poorer farmers and that between advanced and backward regions. Hence, while the pattern of growth promotion is meant by itself to lead to harmonic economic development of the rural sector or to improve the pattern of distribution, it regards improving the lot of the poor farmers as an independent problem and offers for it a separate and independent sub-strategy, providing certain reliefs and benefits to the poor

farmers who are deliberately to be left out of the growth process. 'Under lying the entire strategy is a belief that agriculture should develop in response to the propelling force of the profit motive of the relatively bigger and richer farmers, the role of the state being to provide to all the infrastructure facilities for such a pursuit of profit. The basic tenet of the architects of this strategy is that farmers in developing countries are acting in a rational economy way which means that these farmers maximise profit according to the rules of the neo-classical theory of the firm' (Rudra : 1992 :159).

In Punjab, political pressures and opinions have been generally against genuine land reforms as is reinforced by the views of the economists of Punjab Agricultural University at Ludhiana (S.S.Johl, T.R. Gupta, Gurbachan Singh, 'Some Aspects of land Reforms and Economic Development in India', PAU, Ludhiana). They rejected outright the utility of land reforms to bring about economic development for they feel that a farm of 'good' size is necessary to permit the optimal use of technology for agricultural growth. They reject re-distribution of land on the ground that a policy of land reforms has much greater economic, social and political costs than the social costs of inequitable distribution of landed property.

The new labour process which derived from the application of the new technology embodied a change in structure of the demand for labour. For example, a projection upto 1980s suggested that mechanizing of harvesting and threshing operations will have a

particular impact upon casual labourers (Billings & Singh, 'The Effect of Technology'), Rudra in his study revealed that the addition of tubewells and pumps alone induced a shift from permanent to casual labour, while tractorization brought a rise in the demand for permanent labour to replace casual labour. There was a marked erosion of traditional attitudes of mutual dependence and obligation between the landowners and labourers, as impersonal bargaining arrangements replaced customary patron-client relationship in the recruitment of farm labour, old ideal reciprocal (albeit unequal) obligation gave way to new notions of opposing economic or class interests. (Frankel : 1977:198).

## II.

The distinguishing, as well as interesting feature after the introduction of green revolution technology has been the emergence of 'new farmers' who are capitalist and profit oriented in their approach. To an increasing extent, rural society is said to have become economically and socially dominated by a rising class of capitalist farmers, able to pursue its economic and socio-political interests vis-a-vis other groups in society and vis-a-vis the government. Within the neo-classical framework, the assumption is that the 'progressive' or advanced farmers will set an example to the poorer who are expected to follow the model which they are able to observe from close quarters. In other words, large farmers and rich peasants are expected to function as pioneers or local agents of change through whom the innovations and subsequent increase in

wealth are intended to spread to other layers of rural society. Rudra's main article in 1970 set forth his criteria for identifying capitalist farmers which are as follows :

- i) Capitalist farmer will tend to cultivate his land himself rather than give it out on lease.
- ii) He would tend to hire labour in a much greater proportion than family labour.
- iii) He would tend to use farm machinery
- iv) He would be market oriented
- v) He would be profit minded.

However in reality, large farmers do not strictly have all these capitalist characteristics, in fact they have certain debilitating non-capitalist characteristics. Their economic behaviour is still affected by kinship, caste, community and religious ties, therefore they continue to make use of traditional type of land and labour relations alongside new agricultural methods. In fact, contrary to theory of 'Urban bias' by Lipton, the rural elite i.e. landlord and rich peasants have very actively established their class-dominance and secured political power. Agriculture most definitely, has not been squeezed and this is because the rich peasantry has been able to dictate the terms of Town - countryside relationship especially in case of Punjab.

If there has been any kind of bias it has been a rural bias (Byres, 1979:235). Byres notes further that among rich capitalist farmer 'class for itself' action has been pursued with relentless skill with respect to both subordinate rural classes and to the urban bourgeoisie. The rich peasantry has exercised its class power, with great success, to avoid taxation, to maintain high agricultural prices and intersectoral terms of trade favourable to themselves, to subvert attempts to nationalise the grain trade, and to prevent further land reform. On the other hand, there has been some positive effect too, like the outlook of the progressive farmers towards rigid caste system has become flexible, their attitude towards religion has become less rigid and their life style has been considerably changed. A.S. Kohlon and Gurbachan Singh,<sup>8</sup> observed that, new agricultural strategy has penetrated, 'both the high and low castes. The inter-dining between castes is also becoming common, caste is not considered as a barrier by a large proportion of the caste-groups to give education to or choose occupations for their sons'.

Hence the awakened rural giant is the rich and middle peasantry whose persistent advocacy for economic and political gains are always couched in terms of the needs of the entire 'farming community' as a whole.

Big farmers are favoured groups as they are pioneers of high

---

<sup>8</sup>. Kahlon, A.S. & Gurbachan Singh, 'Social and Economic Implications of HYV of Wheat in the Punjab : With Special Reference to Ferozpur District', UNDP Project.

productivity and efficiency and created a set of beliefs about a policy a 'mobilization of bias', that makes alternative policies unacceptable and which acts consistently in favour of some groups at the expense of others. 'Mobilisation of Bias' are, '... a set of predominant values, beliefs, rituals and institutional procedures that operate systematically and consistently to the benefit of certain groups at the expense of others'.<sup>9</sup> As political mobilizers of rural communities, they provided electoral support for elites in return for benefits received. In this way they had greater input into the policy process and hence helped continue policies favourable to themselves which often act against the interests of other agricultural groups.

The genesis of rising peasant movement and the keen competition among the various political parties for announcing more and more concessions to agriculture in the event of their coming to power reflects this emerging agrarian reality. The powerful peasantry of the middle and upper rung of the hierarchy is an extremely important vote bank to political parties. It is no mere coincidence that the spate of farmers' agitation has become more vociferous and the charter of demands has expanded steadily over time, especially, since mid 1970s, there have been specific economic demands, with regards to input and output prices. This has made the other side of political balance also change its complexion. Political parties realising the influence of farm lobbies, vie with one another in announcing

---

<sup>9</sup>. Peter Bachrach and Morton S. Baratz, 'Power and Poverty : Theory and Practice, New York : OUP, 1970, p.43.

numerous concessions. The typical spate of policy announcements are exemption of loans, price concessions, hike in support prices, huge subsidies and stiff opposition to lowering of ceiling on agricultural lands.

Before studying farmers' movements, especially after Green Revolution it is important to remember that in Punjab there was a close linkage between politics and religion and now added to it is the dimension of economics. In fact, there has been a rising importance of economic factor behind Punjab politics. As pointed out by M.S. Dhama,<sup>10</sup> who said, the religious cleavages in Punjab was like a visible part of the iceberg, a mere facade for social and economic cleavages. The basic cleavages were between the agriculturists and non-agriculturists, feudal landed interests and incipient capitalist interests which further coincided with rural vs. urban, urban caste Hindus vs. rural dominant Sikh castes : and finally weak class conflict between land lord and tenant but a stronger conflict between the peasant and the finance capitalist .

Farmer's movement as a consequence of agrarian revolution, received dramatic mobilisation under several farmers' union - the most important one being by Bharatiya Kisan Union (BKU), followed by Kisan Sabhas of CPI and CPI(M) and Kirti Kisan sabha of CPI(ML). In fact Punjab peasants were already mobilised by a pro-

---

<sup>10</sup>. M.S.Dhama, 'Political Parties and State Autonomy Issues : A Case of Akali Dal' in K.R. Bomwall (ed.). 'National Power and State Autonomy', Meerut.



landlord Unionist Party before independence. The Zamindara League of Chotu Ram created among the peasants an awareness of the importance of their own strength. Moreover introduction of Universal adult franchise and adoption of Panchayati Raj institutions provided farmers as a numerically strong entity to participate in political arena from the level of the village, to the block and state of Punjab itself.

Since the initial success of the Green Revolution provided the material basis for the strengthening of the BKU movement, which later picked momentum after the benefits of Green Revolution began to stagnate or, decline, because the already politicised agrarian producers began to agitate and voice their demands vis-a-vis the established power structure. This independent farmer movement for long has been the hunting ground for political parties like the Akali Dal, Cong I, CPI, CPI(M), BJP, etc. whose social, economic, political basis would be discussed later. Since agriculture was no longer a 'way of life' laid back activity, but a commercial enterprise, hence, even the smallest price fluctuation aroused farmers interest. Moreover, the labour process has undergone change, where the market nexus had created an arena of conflict between cultivators and workers which have further fuelled farmers political activism. However, the BKU with its base among the rich and middle peasantry has shown not only increased solidarity on issues such as input and output prices,

but also against workers in the eventuality of conflict. As Tom Brass,<sup>11</sup> observed that since most farmers in the region belong to the 'Jat community', sense of community feeling is an added factor in this producers solidarity. Which was seen to be actually opposed to non-land owning or small land ownership interests who were mostly Mazhabi Sikhs, Nirankaris, Lohars Ramgarhais, Rais Sikhs, Labana Sikh, Cheema Sikh etc. Here differing political economic interests fell on the already existing caste differentiation within Sikh peasantry.

Throughout the 1970s, the terms of trade moved against agriculture. Punjab, Haryana and Uttar Pradesh registered an annual increase in cropping intensity of 1.46%, 0.80%, 0.28% respectively. The per hectare wheat yield also registered an increase of 0.58%, 2.48%, 0.73% annually in these states between 1970/1971 and 1980/1981 (Swamy and Gulati 1986). As Kumares Chakravarty,<sup>12</sup> observes 'while productivity growth in agriculture has been the fastest in Punjab, the increase of cost of production at least for wheat also has been highest'. His own study in 1982, shows cost of production of wheat to be highest in Punjab than any other state (Burden of Modernization, Financial Express, Feb. 3, 1983).

The outcome of this process was a reduction in the profitability of the rich farmer and an increase in the deficits of the poor

---

<sup>11</sup>. Tom Brass (ed.) 'New Farmers' Movement in India', Frank Cass, 1995.

<sup>12</sup>. K. Chakravarty, 'When Capital Divides : A Study of Punjab Situation', in Gopal Singh (ed.), 'Punjab Today', 1987.

cultivator, both sets of circumstances combining to produce the objective material conditions necessary for their mobilisation. (Tom Brass : 1995 : 199). Therefore the prosperity generated by the initial phase of the Green Revolution, and the consequent substitution of hired workers for family labour has created a human reservoir on which the farmer's movement has been able to draw for its mobilisation. Moreover spread of education, enabled large number of farmers' children to procure school, college and university education but, unfortunately on not being able to get a job they have added the element of militancy into the farmers' movement. In Punjab BKU-a study revealed that in 1982-83, at least three-quarter of its members were literates, and of these 40% were graduates.

In Punjab, BKU known as Punjab Khetibari Zamindara Union (PKZU) was established in 1972, and functioned independently of BKU since 1980 and successfully launched struggles, for example a mass-rally during 1984 in the course of which farmers' surrounded the official residence of the Governor of Punjab. This movement has tried to remain independent of political parties. Meanwhile the Political Left, brought about an important shift in their mobilisation strategy. They organised agricultural labour in organisations like BKMU (Bharatiya Khet Mazdoor Union) of CPI(M) and AIAWU (All India Agricultural Workers' Union) in 1968 and 1982 respectively. They formed a strategic alliance between agricultural labour and poor peasants in order to oppose the newly emerging class of agrarian capitalist producer. The earlier strategy of uniting workers and peasants was not politically viable because after development of

capitalism in agriculture the rich peasant proprietors have opposite interests with the workers.

The BKU was clearly interested in mobilising all rural people regardless of religious, caste, gender and class difference, it wished in general to build a just society and its object was to remove the exploitation of and various forms of discrimination practised against village inhabitants. Therefore at the level of ideology, the farmers' movement projects an image of non-differentiated rural social structures with the dual object<sup>of</sup> enhancing its appeal and uniting different class-subjects throughout the country side. But, 'the practise of the movement, however suggest otherwise. In this regard, the appeal of the movement is unambiguously to the Capitalist rich and medium farmer membership'. (Brass : 1995:204). BKU has always avoided the issue of minimum wage labour and on the question of property they have shifted stance. Originally campaigned for a ceiling on urban property equal in worth to seventeen and half acres of agricultural land, later it advocated the removal of land ceiling altogether which blatantly would help the rich and capitalist farmers. Although the BKU resembled a populist movement, its policies benefitted the rich class. Yet they could also at the same time count on the support of poor peasants for three reasons namely, the increasingly all embracing character of market nexus, a common opposition to agricultural labour on issues of pay and conditions, and the invocation of ethnic identities in the mobilisation process. Each of these factors contribute to powerful notion of peasant unity in

Punjab, along with this Sikh religious idioms have also been commonly invoked for the purpose of mobilising farmers. Therefore mass mobilisations are set not only by material conditions, but also by subjective factors like caste, class, religion. For example, the rise of Sikh separatism has had an impact on the mobilising discourse of the BKU - the demands of the latter have as a result shifted from being concerned exclusively with economic problems to the espousal of issues connected with an independent Sikh state. However, because it used Sikh idiom, it has been unable after that to obtain support of Hindu Farmers.

Bharat Bhusan giving a fine description of BKU, said that 'The BKU leadership comes from the middle farmers and their support base is the middle and small farmers i.e. those with land holdings size of 3 to 25 acres. BKU support is very high in the districts of Ludhiana, Patiala, Ropar, Sangrur, Bhatinda and Hoshiarpur..., the BKU, doesnot have the support of landless labourers nor does it have any conception of what will happen once BKU's demands are met'. It seldom talked about land reforms and controls state legislatures and exempts itself from paying income-tax, enjoys huge subsidies from the state's irrigation and electricity boards.

In terms of a positive impact it can be argued that the farmers movement has played an important role in the democratisation process. By mobilising a large number of peasants, the BKU has widened the democratic base of political activity and thus added an

element of plurality to the political process itself. Though, it has appallingly shown little concern for the specific problems faced by the rural poor such as minimum wages for agricultural labourers which has not even been mentioned in the longlist of 33 demands put forward by the BKU during Meerut agitation. Meanwhile there have always been fights and agitations over remunerative prices for producers.

All parties have always been anxious to be on the right side of the farmer bosses. The internal divisions on the lines of religion and caste further complicates the picture in Punjab as far as interaction between farmers movement and political parties are concerned.

Though Sikhism does not recognise caste. Nevertheless, some form of differentiation does prevail. Nearly two - thirds of the Sikhs come from 'the peasant castes' who are mostly Jats and who comprise 39% of the total population of the state. They have the main hand behind the success of Green Revolution by which Punjab has acquired the status of a 'representative model' of economic progress that 'Nehruvian Model of development and planning' could achieve. 'Given their numerical strength in the rural society and near exclusive control over agricultural land, they qualified as the local dominant caste'.<sup>13</sup> They introduced the ethos of an agrarian dominant caste in the cultural life of Punjab and over the years Jat Sikhs came to

---

<sup>13</sup>. Surinder. S. Jodhka, 'Return of Middle Class', SEMINAR, April, 1999, p.24.

dominate both state politics as well as Sikh religious institutions. The rest of the Sikh population is usually divided into three broad sets of castes; the Scheduled castes (untouchables), rural artisan and service castes and the urban trading castes (mostly Khattris and Aroras). Hindus comprise 38% of the total population of the state, but are heavily concentrated in the major cities and towns of the province where they outnumber the Sikhs. The 'Upper castes' Hindus mostly are urban trading class and comprise 15% of the state and Scheduled caste comprise nearly 14% of the state population. The Scheduled caste population require quite separate treatment because of their fluid religious boundaries, their subordinate economic status and their swing political role. Economically, the Scheduled castes, both Sikh and Hindu, 'stand' in subordinate relationships with the Jat Sikh peasantry for whom they work as agricultural labourers.

Before studying the various parties in Punjab, it is important to note that, since the beginning of the twentieth century, the Hindus and Sikhs have constantly drawn apart and have frequently been on opposing sides of political claims. But as Baldev Raj Nayyar puts it, due to economic well-being of the state as a whole, no party in Punjab can afford to cater to interest of just one religious community. In other words, the bias for a secular, broad based political party, rather than a communal party, is built into the nature of social diversity in Punjab. This is especially, observed in case of Akali Dal which grew from an essentially religious grounds in form of Gurudwara reform movement, and went to the extent of demanding

a 'separate nation for the Sikhs' to finally, after 1966, settling more for financial devolution of powers along with decentralisation and genuine federal setup of governance exemplified, in Anandpur Sahib Resolution (1973).

The 77 year-old Akali Dal has had a long history of splits and raising major political demands both before independence and in free India. It was in 1966, after prolonged agitation by the Akalis, famous as the 'Punjabi Suba Morcha', that the State was trifurcated on communal lines under the garb of a linguistic formula. The period between 1966 and 1976 saw the Akalis' political discourse revolving round an economic agenda and they passed no resolutions saying the Sikh Panth (faith) was in danger. In his research paper, 'Religion and Politics in Punjab', Dr. Harish Puri, records, 'Its (Akali Dal's) manifestos in all the elections from 1962 onwards focussed on secular programmes of economic development, of making Punjab a 'model State' and consciously excluded reference to any demand or grievances of the Sikh community as such'. Following a 'pragmatic policy' of alliances with the Jan Sangh, the Communist parties and the Janata Party, the Akalis formed governments in 1967, 1969 and 1977.

However, the intense factional struggles manifested in increasing pressures for reversion to politics of religion and culture. The adoption of the Batala resolution in 1968 and the 1973 version of the Anandpur Sahib, which meant in substance the acceptance of



the 'Sikh Homeland' thesis as the goal of Akali Dal, exposed the readiness of the leadership to appease the dissidents. At the same time it managed to shut these tendencies from legislative politics.

The post 1976 era was marked by the success of Green Revolution which witnessed a sea change in the socio-economic structure of the Punjabi society. The post Green Revolution period also saw the shift in the Akali Agenda from economic to political issues seeking a 'true federal structure as envisaged in the Constitution' and more autonomy for the state. The prosperity, affluence and exposure to modern life which accompanied the gains of the Green Revolution resulted in what was perceived as the pollution of the faith and a crisis of the Sikh identity. A campaign for purification was launched, epitomised by the militant leader Sant Jarnail Singh Bhindranwala, in pre Operation Blue Star period. The Akalis' co-opted the religious programme in their political agenda which could clearly be seen in the revised version of the Anandpur Sahib resolution accepted by the party at its Ludhiana convention in 1978. Claims on the territory and river waters were woven in to the religio-cultural demands with political overtones, which also had an important role in the initiation of the era of violence. According to Dr. Promod Kumar, during the periods of militancy, three tendencies could be clearly identified within Akali Dal. While the first sought State autonomy without disturbing the existing political arrangements the second stood for the right to self determination within the framework of the Constitution and the last raised the

direct slogan of the creation of separate homeland 'Khalistan'.

The social-economic basis of Akali Dal shows that initially under the leadership of Master Tara Singh the non-Jat traders high caste leadership was predominant but in the 1960s with the ascent of Sant Fateh Singh, the rural Jat peasant leadership gained an upperhand. The elections to the SGPC (Siromoni Gurudwara Prabhandhak Committee) in 1965 clearly pointed to a division between rural and urban votes. The supporters for Tara Singh came from urban areas while rural Sikh largely voted for group led by Sant Fateh Singh. The latter's position was further consolidated when the separation of Hindi speaking region of Haryana from Punjab coincided with the introduction of Green Revolution in Punjab.

The Akalis maintained the strong anti Congress stance in Punjab politics. They sided Jaiprakash Narayan's Movement and even joined Morarjee Desai's cabinet in 1977. Their alliance with Jan Sangh since 1967 only proves the fact that party-politics have normally tended to moderate Hindu-Sikh political polarization and worked against communal entrenchments.

The two opposing political parties Congress and the Akalis along with BJP have drawn on differential support base from two religious communities and from their internal segments. The Congress parties strongest support base has been the Hindus and Scheduled caste population. During Nehru's and Kairon's time the Congress was

strong in Punjab. In the 1970s the Congress intensified its support campaign among all non-Jat Sikh from both scheduled and lower backward class. After emergency of 1975 it faced defeat by Akali-Janata Dal combine. But Congress in the bid to restore its base divided Akali Dal itself by supporting Bhindrawala and other militant Sikh groups in order to attack the core Jat peasantry support base of Akali Dal. The Akali Janata government faced an uncomfortable period when violent clash between militant Sikhs and Heterodox Nirankari Sect brokeout in 1978. There was a clash between Tohra-Talwandi faction who used Sikh-Nirankari clash against dominant Badal-Longowal faction. These factional divisions contributed to Congress victory in 1980 election. But the Golden Temple episode (Operation Blue Star) and the mass murder of Sikhs in Delhi crippled its bid to maintain the broad based coalition of 1970 which bungled up their political fortunes in Punjab.

As is evident the Akali Dal's support base is overwhelmingly the Jat Sikh peasantry and also urban Sikh trading castes. The Jat Sikh farmers of Punjab responded eagerly and dramatically to the new opportunities in agriculture and soon required and demanded increasing quantities of the new inputs at minimal prices as well as maximum prices for their produce, demands which were also reflected in Akali Party manifestoes and in government policies whenever the party came to power.

The Third important party is the Bharatiya Janata Party which

is based over-whelmingly upon the Urban Hindu trading and professional classes. They have especially gained importance, for an inter-communal alliance between Akali Dal and Janata Party has been necessary to displace the Congress from the state power. The Communist Party of India draws its support from Hindu and Sikh scheduled Castes. In fact the large population of scheduled castes is a critical 'floating' element.

The basic argument which emerges, shows that the Jat Sikhs dominate agricultural production, while Hindu trading castes dominate the urban sector including marketing of agricultural produce. These dominant castes, it is claimed are naturally in conflict with each other. In order to gain advantage against their economic enemies, they 'invoke the solidarity of their religious group in safeguarding their economic interests from the encroachment of the dominant castes of the opposite religious group'.<sup>14</sup> One view places the source of discontent and disturbance of the 1980s in the frustrations of Jat Sikh peasants, when the plateau period set in Punjab agriculture. A levelling off in the Green Revolution, a declining ratio between farm produce prices and input costs and a change to a Congress government in 1980 which reduced the availability of state patronage for <sup>the</sup> agriculturalist embittered the Jat Sikh peasants, especially the new class of 'Jat Sikh Capitalists Farmers'. In this explanation, the demand of the moderate Akali

---

<sup>14</sup>. Victor S.D'Souza, 'Economy, Caste, Religion and Population Distribution. An analysis of Communal Tension in Punjab', EPW XVII: May 8, 1982.

politicians for a change in centre -state relations granting more autonomy to the state can be subsumed under the general economic demands of the Jat sikh peasantry for political action to relieve their economic problems. Their famous Anandpur Sahib Resolution of 1973 demanded an increase in the land ceiling from 17.5 to 30 standard acres, 'cheap inputs and abolition of excise duty on tractors, and 'renumerative agricultural prices'. It also demanded complete nationalisation of trade in foodgrains and unrestricted movement of foodgrains in India. The demand for regional autonomy for Punjab, the most famous item in Anandpur sahib Resolution, has also been interpreted as a demand for the more effective pursuit of the interests of capitalist farmers' in a political unit where 'there own political representatives' would be in power. While the Akali economic demands have been undeniably present - yet during crisis, emphasis shifts to political and religious issues. The dominant castes within Akali leadership, use religious appeals to mobilize the broad mass of the peasantry for their own purposes and maintain hegemony over them.

The underlying fact which emerges in case of Punjab is that economics has changed the very idiom of politics in Punjab-religion is underplayed by economic interests as is clearly evident in terms of opposition between Hindu Trading interest and Sikh agrarian capital or the opposition between Jat peasantry vs. lower caste agricultural labourers whose, mobilisation & carried on the plane of opposing economic interests. Therefore, Green Revolution has had an enormous impact not only on the conceptualisation of development, and on the agricultural policy but also on the practice of governance in the state of Punjab as well as the country as whole.

## **Liberalisation and Agricultural Policy : Impact upon Punjab Agriculture**

Perhaps, the next significant phase in the Indian agricultural scene after Green Revolution is the policy of liberalisation initiated by the Government in 1991. Though a clear perspective on agricultural policy has not emerged due to liberalisation yet, there are certainly, some strong tendencies which can be seen in terms of trade policy reforms affecting agriculture and future growth patterns, after interacting with freer international market forces.

This chapter seeks to examine liberalisation and Indian agricultural policy as such with reference to Punjab which has seen promising success since Green Revolution. There was already a manifest capitalist tendency which had consolidated itself, economically and politically in Punjab - it would therefore be interesting in this backdrop to examine their position after liberalisation especially when there is an indication that agriculture would revert from being a public sector enterprise to private sector enterprise. Since the state with its technocratic approach and supportive measure had played an enormous role in their consolidation, <sup>now</sup> will they be able to stay on their own?. In course of this chapter an attempt has been made to look at the multi dimensional aspects of liberalisation process with respect to agriculture and its impact on Punjab along with special focus on recent farmers suicides.

Faced with a foreign exchange crisis, the Government of India introduced major economic reforms in 1991. The structural adjustment programme (SAP) which was adopted had two important components : a macro-economic stabilization programme to reduce balance of payments and internal budgetary deficits; and a comprehensive programme of structural change of the economy in the fields of trade, industry, foreign investment, public sector and financial sector.<sup>1</sup> Here, adjustment was considered intrinsic to development under the aegis of globalisation. In fact, the International Monetary Fund (IMF) and World Bank (WB), who are the main stay behind these programmes believe that SAP, 'helps in enhancing the efficiency in resource use and improves long run growth perspectives of developing countries'.<sup>2</sup> No agricultural policy has been enunciated by the government, because any reform in the agricultural sector could have far reaching implications not only for agricultural growth, but also for food security, employment generation and poverty alleviation. The major areas of policy reforms in agriculture are related to protection in the form of input subsidies, support price and external trade. Any change in these areas would have to simultaneously meet the considerations of efficiency, growth,

---

<sup>1</sup>. Sudha Pai, 'Economic Reforms and Globalisation of Agriculture : A Study of Farmers' Suicides in A.P.' Presented at the International Political Science Association. 1999. pp.1.

<sup>2</sup>. Riccardo Faini, 'Infrastructure, Relative Prices and Agricultural Adjustment' in Golin, Ian and L.Alan Winters (ed.) Book, 'Open Economies : Structural Adjustment and Agriculture', CUP, 1992.

equity and sustainability.

However, there has been following the SAP a number of shifts which are of significance for the farm sector. The 'import substitution model began to be replaced by a model that attached more importance to international market forces.<sup>3</sup> G.S.Bhalla observes, that the agricultural sector which dominates the Indian Economy, not only in terms of income, but even more so in terms of employment has been characterised by heavy population pressures, low levels of productivity and income; institutional rigidities and regional disparities along with inadequate infrastructure for a long time. The aim after Independence was to augment production and achieve self-sufficiency for the political survival of a fledgling nation. With the help of a technocratic approach, 'Green Revolution' was ushered under which priority was accorded to public investment for rural infrastructural development. Where state was to serve as an engine of growth. Large subsidies were give for user charge for both irrigation and power, and tariffs were much less than the cost of their operations. Trade policy under planning was highly restrictive except for few traditional commercial crops like tea, coffee, tobacco etc. The rest of the agricultural sector was insulated from world agricultural markets through almost total control of imports and exports. Moreover, the Agricultural Price Commission and the Food

---

<sup>3</sup>. Vito Tanzi, 'Structural Factors and Tax Revenue in Developing Countries : A Decade of Evidence, in the book, by Goldin, Ian and L.Alan Winters (ed.) 'Open Economies: Structural Adjustment and Agriculture CUP, 1992.



Corporation of India kept the procurement of grains well in shape for buffer stocks to meet exigencies and ensure food security.

It was a state guided development strategy. In fact before the ushering of liberalisation, 'In the Indian economy, public control and planning have always played a crucial role in defining the limits of market based activities. The current phase of economic reforms seeks to alter the division of labour, so to say, between the market and the state. The compulsions to undertake these changes was largely due to the pressures of IMF and the World Bank. It was also, however determined by the pressures from a growing and articulate middle class with growing international ties'.<sup>4</sup>

Linking the Economy Organically with the world economy has been motivated by 3 principle expectations :

- i) Entry of foreign competitors into India's domestic market will stimulate local producers to minimise their cost of production.
- ii) India's export can be rapidly expanded
- iii) With freedom of access to foreign investment, the economy will benefit from an inflow of both financial resources and advanced technology.

Globalisation has furthered the path of technological capitalist development, inaugurated with the Green Revolution. Under SAP,

---

<sup>4</sup>. Anup Sinha, *Economic Reforms and Macro-Economic Policy*, EPW, April 16-23, 1994, vol, XXIX.

with increasing dependence on market forces and greater openness of the economy freer imports and exports of agricultural commodities is possible along with fiscal discipline and compression. The four main stays of the old regime : input subsidies minimum support prices, procurement prices and issues prices were to be reformulated and gradually phased out. At the same time taxes would be levied on rich farmers, private rather than government investment, <sup>with</sup> agro-industry and modern technology was to be encouraged. Farmers were encouraged to produce for the international markets.

At the same time, changes in the global economy particularly the multilateral trading system in agriculture also has important consequences for Indian Agriculture. The Uruguay Round of Multilateral Trade Negotiations sought the inclusion of trade in Agriculture under GATT (General Agreement on Tariffs and Trade) discipline. The Dunkel Text on agriculture goes far beyond the trade concerns, and into the sphere of export subsidies or import restrictions and extends to the whole gamut of domestic economic policies in the sphere of Agriculture. There are 3 direct provisions relating to agriculture in the WTO agreement. These are reduction in trade barriers, increased market access and reduction in aggregate measures of support. Most importantly, it introduces discipline on intra-border economic regimes, namely on internal liberalisations and removal of zonal restrictions, food pricing etc. which means a clear transgression of the sovereign economic space. With regards to trade it has certain stipulated points like -

1. Imports i.e. market access can be restricted only for balance of payments consideration and not for protection of domestic agriculture.
2. Such restrictions can only be price-based, so that all non-tariff measures including quantitative restrictions would have to be removed and their tariff equivalents with a commitment to reduce these tariffs by 36% over 6 years.

Under 'Green Box' certain measures have been outlined by the draft which can be retained in support of depressed areas, environment, infrastructure and extension services, plant protection and research and development, subsidies to low income resource poor farmer. And 'Amber Box' have been given for all those forms of support - to agriculture that benefit producers in form of lower prices for inputs or higher prices for outputs. 'In principle, the New GATT is intended to make the international market for agricultural goods and services a 'level playing field' for all, by eliminating discriminatory tariffs, qualitative restrictions, import licensing and such other devices which impede their free flow across national border'.<sup>5</sup>

The Indian trade policy reform already implemented seeks to increase the degree of openness of the economy, represents a departure from the erstwhile trade policy regime for agriculture.

---

<sup>5</sup>. Krishnaswamy, 'Globalisation and Agriculture', EPW, June 25, 1994. pp.A-68.

Uptil 1991, agricultural trade consisted of plantation crops like tea, coffee, tobacco, spices etc. which have been an important source of foreign exchange, but they have also constituted the exception rather than the rule. '...agricultural trade flows have been perceived as residual whether it was for exports or imports'. (Nayyar & Sen, 1994). The rationale for such trade policy was domestic prices. Now, with liberalisation, macro-economic stabilisation and structural adjustment programmes the most significant impact on Indian agriculture would be the fact that domestic prices of inputs and outputs would be closer to world prices as observed by Nayyar and Sen. In fact, the world agricultural trade occurs in highly imperfect settings, because non-tariff barriers are imposed by both developed and developing world. In contrast with the classical colonial system, it is now mainly the developed countries that are exporting basic food stuffs.

While India may be a large producer and consumer of agricultural commodities, but its share in the world trade is marginal. According to UNCTAD (1989) India produces 10% of world's agricultural output, but its share is just 0.6%. Indian prices. For example in the 1980s, prices for rice, cotton, coffee, tobacco, pepper were lower than world prices, whereas for sugar, rubbers and oilseeds it was higher and for tea and jute it was identical with world prices. For wheat and maize, Indian prices considering the spread of transport costs were always higher than world prices on an exportable basis. In short, the Indian prices were lower for a whole

set of crops which were currently exported and also for fruits and vegetables not traded, but higher for crops in whose case a deliberate policy of import substitution was being followed and for which recent growth rates of output have been above average.<sup>6</sup> Therefore, world trade in grains would prove to be particularly valuable, and exports may cease to be profitable as India's exports may be large enough to depress world price and an escalation in domestic prices subsequently would inevitably hurt the poor.

Some apprehensions have been expressed over SAP by G.S.Bhalla, to start with, he said private initiative has to be augmented by public investment. 'Public investment (which in Indian context crowds in rather than crowds out private investment) is critical in order to reap the benefits of comparative advantage' (Nayyar & Sen, 1994 pp.86). Hence calling for inter-related market and state approach rather than market vs. state approach. However increased reliance on market and border prices, erosion of planning along with the policy of fiscal compression would result in significant reduction in public investment in rural infrastructure thereby adversely affecting agricultural growth and the emergence of export surplus. It is apprehended that exposure to the world market would lead to excessive price fluctuations which could even jeopardize food

---

<sup>6</sup>. Deepak, Nayyar & Abhijit Sen, 'International Trade and the Agricultural Sector in India', (Chapter III), G.S.Bhalla (ed.) Economic Liberalisation and Indian Agriculture, Institute for Studies in Industrial Development, New Delhi, 1994.

security. Since the main rationale of the new policies lies in making agriculture more profitable through increase in the relative price of agricultural commodities, these programmes could worsen the conditions of the poorest section in both rural and urban areas and only benefit the elite rural bourgeoisie because the surplus farmers with a developed resource base have a capability of responding easily and quickly to price signals. Therefore the benefits of higher growth or exports would accrue only to this category of farmers and inter-personal inequalities would increase.

Moreover, the dilution of promotional policies like special schemes for small farmers (namely, SFDA, MFLA, IRDP etc.) and differential subsidies provided to them on credit and other agricultural inputs would have serious adverse effects on the growth prospect of millions. Regional inequalities would also get accentuated as it is only the regions with better infrastructural facilities which would be able to respond to price signals and take advantage of the new export opportunities. Under the Dunkel Draft ~~to~~ constraints have been imposed on Public Distribution System i.e. the government would have to buy food crops for its buffer stocks only at market prices and secondly, subsidized food is to be limited to targeted groups in the population below a nutritional minimum. Under TRIPs (Trade Related Intellectual Property Rights) access to new technology embodied in high yielding or disease-resistant varieties would become more difficult in terms of both availability and price. This is how benefits of knowledge are to be privatised, and since they are to be

available at high cost, it can be afforded by a narrow section of well-endowed commercial formers. 'The Indian farmer will lose the right to breed new varieties from any patented seed for own use or exchange through market'.<sup>7</sup>

According to GATT India has to allow an effective Sui generis system modelled on Plant Breeder Rights codified under UPOV (Union for the Protection of New Plant Varieties). The catch here is that India does not have advanced bio-technology nor big seed companies in the essential seed sectors, which means big MNCs will have a free-play in the 'open' Indian Market. In fact, Indian seed industry is under the control of corporate MNC control. This is a result of privatisation of seed sector, a direct fall out of liberalisation which has brought about a change in the cropping pattern from mixed cultivation to mono culture of hybrids. It has changed the culture of Indian agriculture. Now instead of providing food security they have been induced to grow cash crops for high profits, without assessment of risks, costs and vulnerability.

The new seed policy of the government has lifted restrictions on private sector import of foreign germ plasm, enabling larger seed producers particularly those with foreign collaborations to access seeds from international sources (Shiva & Crompton : 1988). Giants like Monsanto and Cargill have already entered into joint

---

<sup>7</sup>. Krishnaswamy, 'Globalisation and Agriculture', EPW, June 25, 1994.

collaboration with Indian seed companies like MAYHCO. They have unleashed a silent war against Indian agriculture - using it to field test new seeds like Bt cotton 'bollgard' in various states. They are all set 'to create a niche for genetic uniformity in rural landscapes'.<sup>8</sup> These UPOV laws are formulated by countries which are industrial, not agricultural economies (like ours). In these countries farming community is by and large rich, at any rate it is not it not subsistent and constitutes from 2% to 7% of the population. But we have large numbers of small and marginal farmers, and for a large sections of them, the pricing of seed is as critical a factor as the dynamics of seed availability.<sup>9</sup> Quite contrary, to the claim that after withdrawal of subsidies and trade restrictions by developing countries, its agro-industrial potential would be enhanced is the fact that the Indian farmers would remain producers and suppliers of raw materials whereas value - addition on the processed goods that are exported will accrue to the MNCs. Of course, greater prices will be the incentive to produce even raw materials for international markets.

However, 'the most discriminating aspect of the Dunkel proposals, according to some, is the area of domestic support regimes. The industrialised countries have for along time enjoyed complete

---

<sup>8</sup>. Vandana Shiva, Ashok Enami, Afsar H. Jafri, 'Globalisation and Threat to Seed Security - Case of Transgenic Cotton - Trails in India'. EPW, March 6-12, 1999. pp.601-613.

<sup>9</sup>. Suman Sahai, 'Farmer's Rights', in SEMINAR, June, 1994.



autonomy in the management of their agriculture. They pursued strong and complex regimes of domestic support policies. Having reached a stage when agriculture constitutes a very small component of their economies both in terms of output as well as employment, and where the trade angle is far more important for their agriculture, they now prescribe a strict discipline on domestic support which has to be followed by everybody. This is unfair for the developing countries for whom the agricultural sector is still very crucial in terms of output and employment and does need support and protection'.<sup>10</sup> Krishnaswamy fears that under SAP Indian agriculture will tend to get so commercialised as to blur the distinction between the 'farm' and the 'firm' (pp. A-66 :1994).

Such changes are revolutionising the role of the state. The economic orthodoxy which has been introduced globally - involves at the national level the apparent 'withdrawal of the state' from economic activity : however an essential aspect of this withdrawal has been unprecedentedly vigorous and active state intervention to reverse previous policy packages and introduce completely new ones, far from being passive, the state actively implements a new policy package under Fund-Bank Tutelage.<sup>11</sup> But in the Third World economies, it results in making a case for limited sovereignty as is

---

<sup>10</sup>. P.Thomas, Sukhpal Singh, Ajit Kanitkar, Sara Ahmed, & E. Micheal Johnson, 'Dunkel Text : Implications for the Rural Sector', EPW, 1994, March 6.

<sup>11</sup>. Utsa Patnaik, 'Export-Oriented Agriculture and Food Security in Developing Countries and India', EPW, Special Number, Sept. 1996. pp.2429-2450.

the case of Indian state, who cannot take independent economic decisions within its domestic sphere. The free-market economy to function efficiently also has to get institutional conditions right : the regulatory institutions and public organisations that provide public goods have to function with minimum moral hazard outcomes and opportunistic behaviour on the part of public agents.<sup>12</sup>

Since, the ends as well as the means of government policy usually are determined by the government's source of support from a powerful and influential section, especially, with respect to agriculture as is under study. Illichman and Uphoff call this group the 'core combination' which actively supports and directly benefits from the governments policy and action. Linked to this 'core combination' are those who share their 'ideological bias' and are relatively passive in providing support. These constitute the stability groups which acquiesce with government policy. In India, the surplus producing areas and especially, the surplus producing class of peasantry within these areas who have increasingly cornered all the economic benefits provided by the government have emerged as powerful regional bourgeoisie who will advocate the policy. Only difference, being that now they want to further their economic gains by not just producing food grains to feed the country but to produce cash crops which would fetch competitive international prices and further strengthen their economic base and political status.

---

<sup>12</sup>. Murli Patibandla, 'Economic Reforms and Institutions - Policy Implications for India' EPW, May, 17-23, 1997

These economic reforms have symbolised a major shift in India's developmental strategy seeking to re-define the roles of government, market and what may be called the 'peoples sector'<sup>13</sup> consisting of panchayats, cooperatives, voluntary agencies, self-help groups etc. The present policy reflects the characteristics of organised groups dominating the policy process which constitutes barely the upper two deciles of the population and lack of responsiveness to the aspiration and needs of large unorganised masses. There are still very large numbers who live below the poverty line and whose food needs are not adequately met because they lack what Amartya Sen has called entitlement, and when they have enough to eat very little would actually be left for exports, as is purported by the liberalisation policy.

Structural adjustment programmes are consistent with opening up markets for metropolitan capital, where substitution of domestic productive capacities by imports rather than income expansion, appears to be the main mechanism for securing larger markets.<sup>14</sup> In fact from mid 1991, there has been a marked shift in the cropping pattern. Since trade liberalisation food grains growth has slowed down and stood at 1.71%, while wheat and rice have an average percentage growth of 3.48% and 2.53% the coarse grains have shown

---

<sup>13</sup>. V.M.Rao, 'Economic Reforms and the Poor : Emerging Sceneio', EPW, July 18-24, 1998.pp.1949.

<sup>14</sup>. Utsa Patnaik, 'Export-Oriented Agriculture and Food Security in Developing Countries and India', EPW, Special Number, 1996.

an alarming picture with the lowest average growth rate of mere 0.37%. The gross area under food grain has declined by 4 million hectares. The oilseeds like Sunflower, Safflower are replacing coarse grains, along with the increased craze for the 'white gold'. Such developments have really put a question mark on the food security of the country at large, and specifically consumption needs of labourers and small or landless farmers.

This is in sharp contrast to the period upto 1991 which represented the 'food first' set of policies leading to a rise in per capita food availability for the population. In this endeavour, the North India supplied the bulk of centrally - procured food stocks which were then allocated at subsidized prices to the food deficit states. This was obviously the outcome of the Green Revolution, which raised rural incomes of capitalist farmers. Here Punjab in particular had come to constitute the exclusive supply source for the PDS. This regional concentration had played an implicit role in the impermissibility of minority secessionism in Punjab for that would be tantamount to breakup of the Indian Union as an economic entity. However, paradoxically now the Central Government is adopting an extremely dangerous policy of freeing food exports under the current trade liberalisation for opening to the world market can destroy the Indian food security system.<sup>15</sup>

---

<sup>15</sup>. Utsa Patnaik 'Political Economy of State Intervention in Food Economy', EPW, 17-23 May, 1997.

The above further strengthens the enquiry as to who will gain and who will lose from the new export-orientation of Indian agriculture? With the foreign companies entering agro-related business, the minority of capitalist farmers will act as their conduit pipes through whom exportables are to be pumped out. For example, for rice, North India accounts for two-third of production and since globalisation is on , a large part of it is being diverted to international markets leading to the ration price being same as market price. For cotton ,there has been a ten fold rise in exports since 1990-91, price of raw-cotton has trebled and yarn prices have doubled . But the handloom weavers and small powerlooms have closed ,not to mention the farmers suicides which have occurred between 1996-98 due to cotton failure. Other avenues of ongoing displacement of food grains meant for consumption include vegetables, fruits (exotic) under contract with TNCs which actually started with PEPSICO's activities in Punjab, dissemination of Sorghum seeds by Cargill export of cut flowers, growth of teak plantations etc. Before restructuring agriculture in such a fashion , one has to ensure food security for, 'food is ,after all a strategic commodity in today's condition and it would be clearly impolitic to make this a plaything of the market at the national level'<sup>16</sup>

While examining poverty levels it was found that reforms

---

<sup>16</sup>. Krishnaswamy, 'Globalisation and Agriculture', EPW, 1994.

clearly lacked redistributive content. Abhijit Sen <sup>17</sup> observed that there was a declining trend in poverty after mid 1970s, but this trend was reversed in 1990s. From the state figures it was noted that poverty ratio in 1993-94 was significantly larger than in the immediate pre-reform period. This was true not only for Uttar Pradesh and Bihar, but also in successful 'Green Revolution' states of Haryana and Punjab.

Krishnaswamy observes that, during the planning decades, the principal objective of agricultural policy was to make the tiller of the soil, also the owner of the holding. But the operative forces today are quite different, they treat small holdings as uneconomic and want to convert the small farmers into tenant farmers or agricultural labourers. Utsa Patnaik observes that land for export ventures have been acquired by dubious means and by encroaching on common property resources. Land reform laws are to be shelved and indeed, 'reverse land reforms, is being carried in favour of the unfettered growth of export oriented agro-capitalism'(Patnaik:1996:2448).

Hence the new trends will only accentuate economic differentiation which already exist strongly in the rural society to a point of sharp dualism between a minority of export-oriented capitalist farmers and companies out for quick profits regardless of social costs on the one hand, and the mass of cultivators whose

---

<sup>17</sup>. Abhijit Sen, 'Economic Reforms, Employment and Poverty Trends and Options', EPW, Spl No. 1996.

returns from the domestically consumable returns fall as a direct result of the relative price shifts inherent in the new policies and their active promotion by the government.

Past seven years since the introduction of reforms, though the GDP share of agriculture at 1980-81 prices has fallen from 29.96% in 1991-92 to just 24.38% in 1997-98 indicating a structural change, but the same period also saw the rise of poverty and food consumption fell. Even on its home ground, liberalisation has faltered for the realisation of a steady export surplus, particularly in food grains it has proved to be problematic, especially in the light of emergency import of 2 million tones of wheat in 1996. (Patnaik, 1997). J.Mohan Rao holds that external liberalisation holds the potential to effect a contradiction in aggregate demand and employment. The saddest outcome of liberalisation has been the large number of suicides by farmers which were witnessed in Andhra Pradesh, Karnataka, Punjab, Maharashtra and Gujarat (1996-1998). The farmers who committed suicides were small and medium peasants. Reason being that, 'the opening of the economy to the global market forces has changed the frame-work of decision-making for farmers particularly in regard to choice of crops. Expectation of more export opportunities and higher world prices for many agricultural commodities led many farmers to move from 'secure' subsistence food crops to high risk/high

cost cash crops for the market'.<sup>18</sup> Many farmers took the gamble, but could not endure a failure and subsequent indebtedness due to governmental failure in helping out in terms of credit and other crop insurance measures drove them to commit suicide.

Thus, private investment in agriculture does not respond monotonically to profitability in this sector as put forth by Prabhat Patnaik. Such investments respond primarily to the magnitude of public investment in complementary avenues like irrigation, extension services and power. If these investments are cut, as they usually are in the period of structural adjustment owing to resource crunch, then the mere increase in the profit rate would scarcely affect investment in agriculture and hence its growth rate. The only way to reduce the fiscal deficits would be to tax the rich sections. Hence what is required is a responsible polity with sufficient political will power that could rise above narrow sectional interests.<sup>19</sup>

The general mood among the surplus farmers is for greater prices. Which can be seen in the increased demand for higher procurement prices e.g. 615/- per quintal for wheat. What is not realised by them is that formation of these world prices is

---

<sup>18</sup>. Sudha Pai, 'Economic Reforms and Globalisation of Agriculture : A Study of Farmers Suicides in A.P.' paper Presented at the International Political Science Association, 1999.

<sup>19</sup>. G.S.Bhalla, Introduction chapter in book, 'Economic Liberalisation and Indian Agriculture', ISID, New Delhi, 1994.



asymmetrical in nature. The cereals trade is dominated by advanced countries and is characterized by Monopoly and monopolistic pricing, whereas the agri-export trade in the major commodities producible in tropical and sub-tropical developing areas is characterized by enforced competition. Therefore, the brunt of downswings in world prices have to be borne, keeping in mind the volatile nature of world market. Utsa Patnaik observes, especially with respect to wheat that, 85% of global wheat market is supplied by a handful of OECD countries who subsidize their producers heavily. To keep their market share, they can raise their levels of subsidy via GATT and undersell potential competitors easily and even penetrate markets like India which are currently being obliged under World Trade Organisation to give up quantitative restrictions and open to agricultural imports. Hence, even the exporting farmers tend to lose in the long run from integration into the global market owing to the high volatility of world prices. There is the ever present post liberalisation danger of the dumping of cereals and dairy products on to Indian market by advanced countries which are permitted to subsidize their farmers heavily under the clauses they have been careful to write into the GATT agreement in such a way that they will not attract anti dumping measures. Therefore, the surplus farmers of North India should concentrate on supplying the internal market, especially after internal liberalisation has been ushered, rather than clamor for free trade. By supporting free trade they would expose themselves to being undersold in the domestic market by heavily subsidized advanced country producers.

Punjab has taken to liberalisation very enthusiastically. It is the first state in India to have a separate export policy. 'From 1994-95 the percentage of export growth rose from 14.70% to 15.50%<sup>in</sup> 1997-98, and Punjab's share in country's export also has shown a steady rise from 2.5% in 1994-95 to 3.3% in 1997-98.<sup>20</sup>

There has been an increasing demand on Shiromani Akali Dal - Bharatiya Janata Party (SAD-BJP) combine government at the state from 100% export oriented firms or farm exporters to be excused from paying an Octroi, so as to enable them to compete globally. The Government has even agreed to refund the market fee and rural development fee charged on the paddy purchased for export of Basmati and non-Basmati rice.

Since agricultural trade has been growing fast in the nineties, except for the slump in the world price due to South East Asian crisis in the last two years, there has been an increasing move towards shifting the fastest growing sectors or areas within agriculture like poultry, milk, fish and other crustacean farming, vegetables, fruits etc into open general list (OGL) from the erstwhile restrictive list by the government. This move has been seen by the farm sector as an indication of building up of competitive pressures on the agricultural sector of the economy as a whole. However, as a larger issue, price volatility creates uncertainty and risks that can threaten agricultural

---

<sup>20</sup>. Rahul Kumar, 'Punjab Exporters lose their Heart as Slowdown Prevails', Economic Times, 1 September. 1998.

performance and negatively impact the income and welfare of farmers and rural poor.

Since India is opening up recently to trade in terms of major non-traditional agricultural exports, it is important to secure one's market and ensure 'safe' returns to the exchequer for a lot of issues like security, economic stability of the country depends on it. Here, a report released by World Bank and UNCTAD (United Nations Conference on Trade and Development) 1997 is particularly illuminating where it was proposed that for India, revitalising and expanding its future markets is a viable option to help mitigate the risks, uncertainty and price volatility inherent in a mere open liberalised agricultural sector. India would have to specialise on selected 'cashcrops' for exports and selected areas as markets for these crops. Though it is a long way ahead now.

Moreover India still has certain contentious areas, of disagreement with developed nations with regards to Agricultural sector. India still reserves the right not to give exclusive marketing rights (EMR) to any foreign trading partner with respect to farm sector. But, at the same it is also true that it will have to progressively phase out every kind of 'protectionism'. The next round of WTO talks slated for late December, 1999 will deal with agriculture and service sectors. As is already indicative, disputes over liberalising farm sector will dominate Indian relations with European Union (EU) especially, with respect to market access, domestic and export subsidies and import barriers like duties. This is worrisome

when India's trade relations with EU is favourably disposed towards India.

In the recent years, Punjab's Development and Export potential was been further enhanced with great promises for future when the Central Government announced in 1997 a waiver of Rs. 8,500 crores loans incurred by it while combating militants. This was a gesture of encouragement for the state to go ahead with export plans. Almost all parties in the I.K.Gujral United Front, ministry agreed to this waiver. A high level meeting on agriculture was urgently asked for by SAD-BJP combine ministry to look into procurement system of paddy crops. In fact, every season there has been a tussle over Minimum Support Price (MSP) for wheat in Punjab with respect to the central government which has progressively risen from Rs. 415 per quintal to Rs. 550 per quintal. 'Indian MSP for wheat is considered internationally competitive. At \$130 Australian Dollars farmers in that country draw just over Rs.3000/- per quintal as compared to Rs.5000/- in India'.<sup>21</sup> This MSP is much higher than Rs. 405/- per quintal proposed by Commissioner of Agricultural costs and prices (CACP).

In fact Shiromoni Akali Dal, the advocate of Punjab farmers, despite having the agriculture ministry in the present government opines that farmers are getting a raw deal contrary to the belief that they are the most prosperous lot in the country and hence higher

---

<sup>21</sup>. Report in Economic Times, April 8, 1998, 'Consensus Eludes cabinet' Over Wheat Minimum Support Price'.

procurement prices is their due.

By now, it has been a regular affair for Chief Minister of Punjab to bargain for higher bonus for their surplus producing farmers, sometimes almost to the extent of holding the country to ransom. This is by virtue of the fact that by just occupying only 1.3% of the geographical area of India, its contribution to the central pool is to the tune of 60% of the entire procurement in terms of food grains. In there tirade for higher prices they have found support in BKU as well who in 1997 initiated a boycott of mandis by surplus farmers for prolonged periods following a demand for higher procurement price of Rs.615/- per quintal.

The recent removal of internal restrictions on wheat movement shows how the lobby for surplus producers ensured the disbursement of the crop within the country to help the surplus farmers to maintain the profit levels. The present government has decided to liberate 7000 co-operative bodies with an annual turn over of about 13000 crores from undue political and bureaucratic controls which is a major political decision. This legislation opens the path for greater assistance from international agencies like World Bank which now favour reforms and democratisation of grass root level organisation like co-operatives. As is well known the success of Green Revolution of the late 1960s and early 1970s was based on the strong networking of co-operative bodies which provided free flow of credit to the farmers after liberating them from the clutches of traditional money

lender. Though set up in 1904 presently the various co-operatives account for 42% short term credit requirement like seasonal crop loans and 100% long terms loans for making investment in farm sector. This policy decision emphasized the importance given to economic issues and how political decisions are catering to vested interest.

In Punjab, the most disquieting feature in the recent years has been the suicides of farmers due to vicious circle of failed crops and debts in the last two years. This is a direct result of 'switch over' of crops under the beckoning of liberalisation and international market, especially when more and more cotton farmers in the state are consuming Celphos-A Rs. 10-a bottle insecticide. According to a news paper report, 'the failure of the cotton crop for the fifth consecutive year has reduced the farmer to penury. The crop touched an all-time low of 7.13 lakh bales against the target of 22 lakh bales (1998). The result a severe cash crunch in the cotton-belt comprising the districts of Bathinda, Mansa, Sangrur, Faridkot, Ferozpur, Muktsar and Moga'.<sup>22</sup>

The sufferers have been the small farmers who have tried to emulate the riches farmers, without realising the brunt of failed crop under the back-breaking debts taken to grow them. Moreover to make matters worse in certain parts, farmers have taken to drug

---

<sup>22</sup>. Kuldeep Mann, 'killer Cotton Story is Retold in the Cradle of Green Revolution', Indian Express 17 June, 1998.

addiction giving rise to another social malady. Hence it calls for urgent corrective measures by the state in the country-side.

According to some agricultural experts, the spate of suicides is a recent phenomenon, yet it is an outcome of a built-up of circumstances over the years. After the Green Revolution in the late 60s, which brought wheat - paddy and wheat cotton rotation to predominance, a number of crop alternatives have been tried but without success. The failed experiments of introducing new crops and popularizing fruits like Grapes and Kinnow and vegetables have left farmers poorer.

Nothing highlights the tragedy of state's farmers and cause of their suicides better than statistics mentioned in the recent study entitled "Rural Credit And Indebtedness In Punjab", brought out by Chandigarh based Institute for Development and Communication under the authorship of H.S Shergill at the instance of Punjab government. In this study a random sample of 260 cultivating households, located in 13 randomly selected villages of Punjab was taken during October-November 1997 after dividing the state into 5 homogenous agro-climatic zones. Some of the villages surveyed were in Gurdaspur, Garshanker, Ajnala, Nakodar, Khanna, Barnala, Talwandi Sabo, Mansa, Faridkot etc. The total estimated debt of farmers in the state came to Rs. 5,700.91 crores, out of which 54.72% is short-term annually recurring type crop loan, and 7.12% mortgage debts. As many as 70% of small farmers, 40% of semi-medium and

47% medium, besides 28.30% of large farmers were not able to fully repay the crop loans taken by them.

The epidemic proportion of farmers' suicides are due to indebtedness and crop-failure<sup>which</sup> are the real barometer of stress under which Indian agriculture and Indian farmers have been put by globalisation of agriculture. They are consequences or out comes of the corporate model of industrial agriculture being introduced in India through globalisation.<sup>23</sup> Agriculture driven by MNC is always capital intensive and creates heavy debt for purchase of costly internal inputs such as seeds and agri-chemicals, insecticides and pesticides. Hybrid seeds marketed by MNC offer a promise of higher yields but they also have higher risks of crop failure since they are more prone to pest and disease attacks as illustrated by cotton experience in Punjab.

Hence behind the charm of agrarian prosperity, lies the cultural, social, economic and political hazards created by over-mechanisation, problems of water logging excessive use of chemical fertilizers and pesticides and now liberalisation.

Punjab agriculture had been experiencing a 'plateau period', despite high yield and productivity in terms of national average for

---

<sup>23</sup>. Vandana Shiva, Ashok Emani, Afsar H. Jafri, 'Globalisation and Threat to Seed Security Case of Transgenic Cotton Trails in India, EPW, March 6-12/13-19, 1999. pp.603.



the last decade. According to official figures the annual growth rate for all crops during 1985-1995 was a mere 02.7% some crops experienced a negative growth rate (H.S.Shergill, 'Rural Credit and Indebtedness in Punjab, IDC, Chandigarh, 1998, p.7). In the same study, a significant proportion of cultivators - 28% to 58% in different parts of the state reported a decline in crop yields on their farms during the last 3 years.

This declining trend, hit the small and middle peasants in a hard way, and drove them to go for commercially viable crops on whose failure, they couldnot manage the debt burden, which drove them to take the extreme step of taking their own lives. During 1992-93, Suicides increased by 51.97% and again in 1994-95, went upto 57%. As many as 58.50% of those who committed suicides did so by 'taking pesticides' (Pramod Kumar and K.L.Sharma, 'Suicides in Rural Punjab, IDC, Chandigarh, 1998, pp.13-31). Thus painting a sordid picture of despair for those who cushion themselves from high risks in terms of growing cash crops and selling them at competitive prices in the International Market.

In sum, liberalisation in agriculture under WTO rules has meant reduction of trade barriers, increase market access and reduction in aggregate measures of support. International competitive prices have drawn the surplus producing capitalist farmers from surplus zones of Punjab to switch eagerly to market demands in terms of cash crops.

Some protagonists see a brighter side and realise that since 'minimum market access clause is not applicable to India at present due to balance of payment reasons. It should make use of minimum market access made available by other countries to create wider markets for Indian exports. Reduction in tariff by the developed countries should work to the advantage of India rather than its disadvantage'<sup>24</sup>

But reaping benefit from trade liberalisation is proving problematic especially with respect to change in cropping<sup>p</sup> pattern i.e. move from cereal crops to more profitable cash crops. Infact 'the issue of cash crops is profoundly controversial. On one hand cash crops are favoured for their potential contribution to growth, employment and external balance. The expansion of cash cropping is recommended to exploit comparative advantage and provide the basis for Industrial development through intersectoral linkages. On the other hand cash crops are oppose by those who deny this benefits...especially in the spheres of distribution dependency and food security'.<sup>25</sup>

Therefore cash cropping<sup>p</sup> which is the cornerstone of the impact of liberalisation on agriculture is associated with maldistribution of

---

<sup>24</sup>. Excerpts from inaugural address by Dr. C. Ranga Rajan, Governor of Andhra Pradesh at a national seminar on 'New challenges facing Indian Agriculture in the context of WTO' held in Hyderabad in July 1999.

<sup>25</sup>. Simon Maxwell, & Adrian Fernando, 'Cash Crops in Developing Countries - the issues, the facts, the Policies'. World Development, Vol. 17, No.11. pp.1678.

wealth, income, access and power. As is evident therefore the gainers are invariably the rich, landed and already prosperous farmers with manifest capitalist tendency. Liberalisation induces this process whereby initial disparities are worsened. In the static sense only the favoured can take up cash crop because they benefit from state support. In the dynamic sense they exacerbate the maldistribution because they accelerate processes of social differentiation.

## Conclusion

Independent India was born agrarian and Democratic.<sup>1</sup> It had inherited a predominantly backward agricultural economy along with an over-developed colonial state-structure with no capacity of initiating development. The parts of India, which were productively used by the colonial state left behind an agrarian structure which saw the burgeoning of a particular class of farmers who not only benefitted from the policy, but cornered 'power' even after independence by virtue of being economically strong. Though democracy bought formal equality for all, yet the, 'political purpose behind the rhetoric of development aimed at helping the already privileged groups'<sup>2</sup> In fact, the development related agricultural strategy followed by Independent India has been such that Democracy and Development which ought to be mutually supportive stand at times in sharp and antagonistic juxtaposition.

In the opinion of scholars like Pranab Bardhan and Ashutosh Varshney the state policy has represented the interests of the dominant economic and social classes that constitutes the ruling elite.

---

1. Asutosh Varshney, 'Democracy, Development and The Country-side Urban - Rural Struggles in Indian, CUP, 1995, pp.8.

2. David Washbrook, 'The Rhetoric of Democracy and Development in late Colonial India', in Sugata Bose and Ayesha Jalal (ed.) 'Nationalism, Democracy and Development: State and Politics in India', OUP, 1997. pp.48.

One such component of the ruling elite hailing from the agrarian scene was under investigation in this study. Seeing the rise of agrarian capitalism and the rich farmers lobby in Punjab is an attempt to see a 'regional' outcome of a developmental strategy followed by the state in pre and post independent India.

The time-period under study, spans roughly 150 years, within which the structure of the Punjab Economy has been shaped crucially by the consequences of being inserted into a larger political-economic agenda. Before, 1947, it was the British colonial state and after 1947, it is the Indian nationalist state which has shaped the structure and direction of Punjab Economy. There were three perceptible and significant policy changes which shaped the rise of the agrarian capitalist class in Punjab.

In the colonial period, this class was more known as 'independent peasant proprietors'. They were outcome of policies followed by the Punjab School of Administration under Sir. Lawarence which aimed at enhancing the productive base of the region and turn Punjab into a 'model province'.<sup>3</sup> The various policies of land tenure system, land lease policies irrigation-networks and revenue collections helped the development of independent class of peasant proprietors who were independent of the prevalent feudal

---

<sup>3</sup>. Richard Fox - 'Lions of the Punjab : Calcutta in the making, University of California Press, Berkely and Los Angeles, 1985.

set-up elsewhere in India. The British administration had done their home-work before introducing new agrarian institutional reforms. The Peasant proprietors were looked upon as a political force in times of crisis where they were being deliberately placated against the claims of other classes - i.e. Old intermediaries or Zamindars. The various land records conferred proper propriety rights on the self cultivating owners, who were to have direct relation with the state. The Punjab Tenancy Act of 1868, showed that the administration was sensitive to the needs of tenants, and even had identified 5 groups for conferring rights upon them. What really, enhanced the position of peasant-proprietors was the development of 'canal colonies' and subsequent commercialisation of agriculture located in the western region of (undivided) Punjab, this area was developed by the colonizers by establishing canal irrigation 'accompanied by migration of peasantry' especially the Sikhs from central region of Punjab for settlement. They were sturdy, hard working and soon turned into skillful agriculturists and appropriated the benefits achieved from early commercialisation of the produce and later were the key agent of agrarian oriented development pattern initiated in the post-partition Punjab. They were categorised as a) Ordinary grantees b) Service grantees under British Government Tenants Act III of 1893 which provided them incentive to consolidate themselves further. The colonial state had played a highly 'interventionist role' throughout the planning period. In fact, when adverse effects of early commercialisation began to surface in 1901 it enacted the Punjab Land Alleviation Act which actually gave a new twist to the earlier

strategy, when the allotment of land deliberately began to be made to better off sectors especially landholding castes of central Punjab, carefully leaving out poorer, non-landed elements of village society. These land holding castes of central Punjab were mostly Jat-Sikh who also formed a sizeable component of the British army. The lessons from the Mutiny of 1857, had taught the British to build bulwarks wherever possible for the survival of the system of extraction. And this 'class' of prosperous peasant-proprietors' fulfilled the criteria well.

After Independence was won, the Punjab got divided and most of the canal colonies remained with Pakisthan and the 'colonist' who were the self-cultivating peasant proprietor migrated to Indian side of Punjab. Due to paucity of land, a system of gradation was followed to allot land.

The agrarian structure in Punjab under went further change with institutional reforms which were implemented. Apart from the initial phase of a abolition of great zamindars and jagirdari intermediaries - the later phase of tenancy reforms and redistribution of land, implementation of land ceiling had not been accomplished with great success. Hence, the land reforms more or less, saw the same rich peasant proprietors emerge as major beneficiaries whose condition had been stabilised since the colonial times, except for the dislocation due to Partition. In the mid 60s when the food crisis threatened the fledgling Indian nation and

almost questioned its legitimacy, the state decided to immediately launch rapid change in the technology of production in agriculture, with the help of new Borlaug seed - fertilizer technology popularly known as the 'Green Revolution Technology'.

This state introduced capital - intensive technology was a second critical policy move which increased eminence of capitalist farmers, who in the course of the strategy consolidated themselves politically on the basis of economic gains accrued from the technology. This fact underlines the linkage between colonial history and the post-independence development strategy. The philosophical foundations and strategies of development in India are firmly situated in our colonial past, and many of those 'continuities' have been brought under change because of state initiated and state guided developmental processes. This has been the essence of Indian Political Economy.

The Green Revolution technology had built in bias for the well off section of the agrarian society. The package technology consisted of 'bio-chemical inputs' which were durable and could be used irrespective of farm size, and also 'mechanical inputs' which were indivisible and therefore required lumpy investment and could only be afforded by prosperous self-cultivating farmers. This technology not only brought about phenomenal growth in the income of the agriculturist but also sharpened the inherent conflict between the twin objectives of development i.e. growth with equity. Soon tenancy increased and



even labour used on the land was more hired and skilled and not based on family or unskilled labour. Many studies even confirmed the trend towards increasing structural inequalities in terms of land distribution and ownership holding (mentioned in chapter 3). Poverty too prevailed in a subtle way, there was rural proleterization which meant the non-agricultural classes like artisans, craftsmen, labourers were separated from their means of production. Since the aim was to change the factor of production without concomitant change in relation of production, the income inequalities got perpetuated.

Underlying the entire strategy was the belief that agriculture should develop in response to the propelling force of the profit motive of the relatively bigger and richer farmers and the role of the state was more or less to provide all infrastructure facilities for such a pursuit.

In Punjab, technological innovation helped a lot in the consolidation of the capitalist farmers and even went on to initiate class formation and class-action in the countryside. The economic behaviour of this capitalist farmer class was however effected by kinship, caste, community and religious ties which helped in every way to establish their power and even dictate the terms of Town-countryside relationship.

They have acted as a 'class' on many occasions when it came to subordination and marginalisation of other rural classes and

bargaining with the urban bourgeoisie. They have exercised their power to achieve benefits and rewards such as avoidance of agricultural tax, demand for higher agricultural price and have mobilized the entire rural community to cater to their gains. They have provided electoral support to political parties, farmers movements have thrived on their leadership to continue policies favourable to their cause. The agrarian prosperity has infused the new dimension of economics in the already closely linked nexus between politics and religion. This is evident in the social basis of the political parties and farmers movements, nature of leadership and their political agenda. The Bharatiya Kisan Union (BKU) which came to be known as the Punjab Khetibari Zamindara Union (PKZU) since 1972, has unavoidably espoused the cause of the rich capitalist farmers, though commanding popular support from all stratas of the rural community. The practice of the movement avoided issue of minimum wage labour and shifted stance on the question of property. Since these two contentious issues could benefit the capitalist farmers only when overlooked. Since most surplus producer farmers were Jat Sikhs, the sense of belonging to the same community also proved to be an added factor in this producer's solidarity. Nearly two-thirds of the Sikh come from the peasant castes who are Jats and comprise 39% of the total population - therefore, given the numerical strength in the rural society and near exclusive control over agricultural land made them qualify as the local dominant caste. They have formed the backbone<sup>of</sup> every ruling coalition forming government at the state level. The Akali Dal is a major advocate of

their cause. Their political goals have been determined by their interests. This party has traversed a long path of 77 years from being an exclusivist party to one which has entered into alliances with parties of opposing political hues and opposing mass-support base, like CPI(M) and BJP to gain power and continue policies favouring farmer bosses. From 1962 onwards after a change in the leadership from urban to rural the Akali manifesto focused more on secular programme of economic development, one of them being Anandpur Sahib Resolution of 1973. (Discussed in chapter 3.).

In fact, the plateau period of the post-Green revolution phase which, signified a decrease in profit levels proved a reason for the rise of militancy, which in a way could have been a vent for the rich capitalist farmers.

The 'third spurt' for the consolidation is seen in the process of liberalisation and structural adjustment programme (SAP). Under SAP, there has been a perceptible dependence on market forces which has resulted in greater openness of the economy whereby it has become freer in terms of imports and export of agricultural commodities.

Under World Trade Organisation rules the 4 main stays of state led regimes, namely subsidies, minimum support prices, procurement prices and issue prices were to be reformulated and gradually phased out. Fiscal adjustment has meant continued or

even sharp decline of public investment at constant prices on the agricultural sector'.<sup>4</sup>

The economic liberalisation has two fold objective in terms of trade policy affecting agriculture - (i) It seeks to dismantle restrictions on trade other than tariffs, (ii) and wishes to bring domestic prices closer to world prices. 'This represents a radical departure from the past, particularly in the sphere of agriculture where foreign trade was used as a residual to bridge the difference between domestic production and domestic consumption'. (Nayyar & Bahaduri : 1996 : 109). Overtly, the surplus farmers would benefit from the outward looking trade policy, Yet, the very fact that Punjab is predominantly a wheat growing region, makes it more vulnerable to volatile prices of cereal trade and also in terms of the question of food security of the nation comes up, especially when it has been contributing more than 60% food grains to the central pool. Change to cultivation of cash crops involving high risk can only be afforded by minority of export oriented capitalist farmers. A quick change over to cash crops by the small and not so affluent sections for greater income would spell disaster as is evident from the spate of suicides committed by farmers who couldn't bear the brunt of debt taken to grow expensive cash crops for international markets. Hence, liberalisation gives big boost to only private initiative.

---

<sup>4</sup>. Amit Bahaduri & Deepali Nayyar - 'An Intelligent Person's guide to liberalisation', Penguin (India) Ltd. 1996. pp.108.

Liberalisation ushers in the danger of patented seeds being expensively out of the reach of small farmers which only accentuates economic differentiation, where the state is expected to play a marginal role, of minimally managing the affairs for international market forces.

It has been suggested that since there is no agricultural policy to tackle liberalisation, it would not be too incorrect to assume that the entire debate about economic liberalisation has proceeded with the assumption that, 'agricultural sector or rural India doesn't exist, or if it exists it doesn't matter.'<sup>5</sup> This attitude is suited for developed countries where only a small percentage of population is connected with agriculture and its contribution to National Income is also small. In other words where, 'getting rid of agriculture as a major social activity is one pre-requisite for successful democracy'<sup>6</sup> But it is incredible in an economy like India where two thirds of the work force is employed in agriculture and where three-fourths of the population lives in the rural sector. Even if their share of income in the economy is much smaller than their proportion in the population, it must be remembered that their share of votes in the polity is directly proportional. Yet despite being large in number the rural population have been found to be invariably backing the rich

---

<sup>5</sup>. Nayyar & Bahaduri, Ibid pp. 107.

<sup>6</sup>. Barrington Moore Jr. 'Social Origins of Dictatorship and Democracy : Lord and Peasant in the Making of Modern World', Penguin, USA, 1966, pp.429.

capitalist interest of the agrarian society. The democratic process consisting of periodic election has seen the popular representatives in state legislatures securing and consolidating interests of rich farmers. Due to simultaneity of the process of democracy and development in India, this class has been able to use the most democratic means to come to power and cater for their own interests. This picture<sup>is</sup> likely to get complicated when the same class would be able to consolidate their position further with the help of market forces as is seen in Punjab. As, 'the move towards a free market mechanism will give the rich people more power to vote with their money - what economists would describe as purchasing power in the market place. But our political democracy works on the basis of one person one vote ...'.<sup>7</sup> [It would be difficult to reconcile two imperceptible tendencies of democracy and this time, outward looking development strategy], unless a sensible compromise is reached between economic directions which the market sets and the priorities of the political system based on one person-one vote or political equality.

Yet, the nature of the Indian state which is shaped by the class structure of the society catering to 'dominant interest' will not inhibit the achievement of the 'above' compromise. In fact, vested interests of the dominant classes or elite have perpetuated a cynical politics of 'soft options' where the state has shied away from hard decisions. It is both unwilling and unable to tread on the toes of the rich and the

---

<sup>7</sup>. Nayyar & Bahadur, Ibid, pp.7.

powerful. Hence, state has both helped perpetuate the 'dominant elite classes' and later their actions were limited by them itself.

Hence, the capitalist farmers of Punjab are definitely the outcome of state policy and perception who have crystallised themselves almost in term<sup>of a</sup> farm lobby when they have collectively or with the help of political parties flexed their muscles and won significant victories and consolidated themselves further.

## Bibliography

### Secondary Sources :

#### Books

Appu, P.S. 'Land Refoms in India, Vikas Publishing House, Delhi, 1996.

Ambirayan, S. Classical Political Economy and British Policy in India, CUP, 1978.

Agarwal, Bina , 'Mechanization in Indian Agriculture : An Analytical Study Based on the Punjab', Allied Publishers, Delhi, 1983.

Bagchi Amiya Kumar - 'The Political Economy of Under Development', CUP, Cambridge, 1982.

Banga, Indu, 'Agrarian System of the Sikhs. New Delhi, Manohar, 1978.

Bhalla, G.S. & Singh Gurmail - Impact of GATT on Punjab Agriculture - Ajanta Publication, 1996.

<sup>a</sup>  
Bhlla, G.S: and Chadha, G.K. 'Green Revolution and the Small Peasant. Concept Publishing Company, New Delhi, 1983.



Bhalla, G.S.(ed.) Economic Liberalisation and Indian Agriculture, Institute for Studies in Industrial Development, N. Delhi, India, 1994.

Barrington, Moore Jr., 'Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World', Penguin Books, USA, 1966.

Bhagwati Jagdish , India in Transition OUP, Delhi, 1993.

Bhalla, G.S. and Tyagi D.S. 'Pattern in Agricultural Development : A District Level Study, Delhi, 1989.

Bardhan, Pranab 'The Political Economy of Development in India', Delhi OUP, 1984.

Bhalla ,G.S. and Singh, Gurmail Impact of GATT on Punjab Agriculture, IDC Chandigarh, 1996.

Bettelheim, C. India Independent, London, 1968.

Brass ,Tom, (ed) New Farmers' Movement in India, Franks Cass, 1995.

Bernstein, Henry and Brass, Tom Agrarian Questions : Essays in Appreciation of T.J. Byers, Frank Cass, London, 1996.

Byers, T.J. 'State and Development Planning In India', OUP, Delhi, 1994.

Bhaduri, Amit & Nayyar Deepak, 'The Intelligent Person's guide to Liberalisation', Penguin Publishers, 1996.

Bhatia B. M., Indian Agriculture : A Policy Perspective, Sage Publications, New Delhi, New Bury Park, London.

Bose, Sugata & Jalal, Ayesha (ed.) Nationalism, Democracy and Development : State and Politics in India, OUP, 1997. Delhi.

Chadha, G.K., The State and Rural Economic Transformation - The Case of Punjab (1950-85), Sage Publications, New Delhi - 1986.

Chelliah, Raja 'Towards Sustainable Growth', OUP, Delhi, 1996.

Chakravarty, Sukhomay, 'Development Planning - The Indian Experience', OUP, Delhi, 1987.

Chandra, Bhan - Farm Mechanization and Social change, Bothern Book Centre, 1987.

Chaudhari, D.P. & Dasgupta, A.K. Agriculture and the Development Process - a Study of Punjab - Croom Helm - London, Sydney, Dover, 1989.

Clayton, Eric - Agriculture, Poverty and Freedom in Developing Countries.

Chandra, Bipan , 'The Emergence and Growth of Economic Nationalism in India', New Delhi, 1966.

Dantawala, M.L. & Others, Indian Agricultural Development Since Independence - A Collection of Essays Oxford & IBM (Pub) Company Pvt.Ltd., 1986.

Darling, M.L. 'Punjab Peasant in Prosperity and Debt' (Edn.4), Manohar, N.Delhi, 1977.

Desai, Rudolph, Rudra (ed.) Agrarian Power and Agricultural Productivity in South Asia, OUP, 1984.

Desai, Rudolphs, Rudra (ed.) Agrarian Power and Agricultural Productivity in South Asia, Oxford Univerity, 1984.

Folke Doving, Progress for Food or Food for Progress? The Political Economy of Agricultural Growth and Development, Prager, New York, 1988.

Fox, Richard. G, - 'Lions of the Punjab : Culture In the Making, University of California Press, Barkeley and Los Angeles, 1985.

Frankel, Francine. India's Green Revolution : Economic Gains and Political Costs, Princeton University Press, 1971.

Frankel, Francine, India's Political Economy (1947-1977), Princeton University Press, 1978.

Frankel, R. Francine and M.S.A. Rao (ed.) *Dominance and Satta Power in Modern india*, Vol. 1&2, OUp, Delhi, 1990.

Indu Banga, (ed.) *Five Punjabi Centuries - Polity, Economy, Society and Culture - C 1500 - 1900*. Manohar, 1997.

Guhan, S. 'The World Bank's Lending in South Asia', (*The Brookings Occasional Papers*), The Brookings Institution, 1995.

Griffin, K. *The Political Economy of Agrarian Change : An essay on the Green Revolution*, Macmillan, 1974.

Grover, Virendra (ed.) *The Story of the Punjab (Yesterday and Today) Vol.II*, Deep & Deep Publishers, 1995.

Grewal, J.S. *Akalis : A Short History*, Punjab Studies Publications.  
Jalan Bimal , 'The Indian Economy : Problems and Prospects', New Delhi, Viking, 1992.

Harris White, Barbara - *A Political Economy of Agricultural Markets in South India - Master of the Countryside*, Sage Publications, Delhi, 1996.

Kohli Atul, - 'Democracy and Discontent : India's Growing Crisis of Governability', CUP, Cambridge, 1991.

Kurian, C.T, Global Capitalism and Indian Economy, Public Interest Research Group, Delhi, 1996.

Leftwich, Adrain (ed.) 'Democracy and Development - Theory and Practice', Polity Press Cambridge, 1996.

Lal, Deepak - 'Prices for Planning : Towards the Reform of Indian Plannin', London Heinmann, 1980.

Lal, Deepak , 'The Poverty of Development Economies, London, Institute of Economic Affairs, 1983.

Nayyar Baldev Raj - Majority Politics in the Punjab - Princeton University Press, 1966.

Powell -Baden , B.H. 'Land Systems of British India', 3 Volumes, Oxford, 1892.

Rao, C.H. Hanumantha , 'Technological Change and the Distribution of Gains in Indian Agriculture', Delhi, Macmillam, 1975.

Rudra, Ashok 'Political Economy of Indian Agriculture', K.P.Bagchi and Company, 1992.

Sandhu A.N. & Singh, Amarjit - New Agricultural Strategy, Marwah Publications, 1989.

Thorner, D. Land and Labour In India, Asia Publishing House, London, 1962.

Saini, G.R. 'Farm Size, Resource - Use Efficiency and Income Distribution : a Study in Indian Agriculture with Special reference to UP and Punjab', Allied Publishers, Bombay, 1979.

Joshi, Vijay and I.M.D. Little, 'India's Economic Reforms - 1991 - 2001', Delhi, OUP, 1996.

John Harris - Capitalism and Peasant Farming : Agrarian Structure and Ideology in Northern Tamil Nadu, Oxford University Press, 1982.

Lewis, John P. 'India's Political Economy : Governance and Reform', Delhi. OUP, 1995.

Lloyd. I. Rudolph & Susanne Hoebler Rudolph, In Pursuit of Laxmi: The Political Economy of the Indian State, Orient Longman, Bombay, 1987.

Lehmann, David, (ed.), Agrarian Reform and Agrarian Reformism - Studies of Peru, Chile, China and India, Faber & Faber Ltd. 1974.

Lipton, Micheal 'Why Poor People Stay Poor : Urban bias in World Development, London, Temple Smith, 1977.

Kuznets, Simon 'Economic Growth and Structure : Selected Essays',  
calcutta, Oxford and IBH, 1969.

Kapur, Rajiv, Sikh Separatism : The Politics of Faith, London: Allen  
and Unwin, 1986.

Myrdal, Gunnar 'Economic Theory and Undevelopes Regions',  
London, 1958.

Misra, Mudhu Sudan , Politics of Regionalism in India with special  
Reference to Punjab Deep and Deep Publications, 1988.

Myrdal, Gunnar 'Asian Drama - An Inquiry into the Poverty of  
Nations', Harmondsworth, Penguin Publishers, 1968.

Martinussen, John, Society, State and Market : A Guide to Competing  
Theories of development, Zed Books Ltd. London & New Jersey  
Fernwood Publishing, Halifax Nova Scotia Pretoria. 1995.

Nayyar, H. & Ramaswamy, P. Globalisation and Agricultural  
Marketing.

Nair, Kusum, Blossoms in The Dust, The Human Element In Indian  
Development, London, Gerald Duckworth, 1961.

Olsen, Wendy - Rural India Social relations : A Study of Southern Andhra Pradesh, OUP, 1996.

Patnaik, Utsa Agrarian Relations and Accumulation - The Mode of Production Debate in India, Sameeksha Trust, Oxford Univ. Press, 1990.

Patnaik, Prabhat , 'Whatever Happened to Imperialism and Other Essays', Tulika, Delhi, 1995.

Randhawa, M.S. Green Revolution A Case - Study of Punjab; Vikas Publishing House (Private) Ltd. 1974.

Ruttern, Mario - Farms and Factories : Social Profile of Large Farmers and Rural Industries in West India, Oxford University Press, 1995.

Johar, T. S. and Khanna, J.S. Studies in Punjab Economy, Punjab School of Economics, Gurunank Dev University, Amristsar.

Randhawa, M.S., Green Revolution in Punjab, Punjab Agri University, 1975.

Robert. S. Anderson, Paul R. Brass, Edwin Levy and Barrie. M. Morrison (ed.) Science, Politics and the Agricultural Revolution in Asia, AAAs, Selected Symposium Papers, 1982.



Randhawa, M.S., A History of Agriculture in India - Vol.III, Indian Council of Agricultural Research, New Delhi, 1983.

Swaminathan M.S. - Sustainable Agriculture - Towards an Evergreen Revolution, Konark Publishers (Pvt.) Ltd, 1996.

Singh, Gopal (ed.) Punjab Today, Intellectual Publishing House, Dariyaganj, New Delhi. 1987.

Sims, Holy 'Political Regimes, Public Policy and Economic Development : Agricultural Performance and Rural Change in two Punjab', Sage Publications, Delhi, 1988.

Sharma, Rita and Thomas. T. Poleman the New Economies of India's Green Revolution in Income and Employment Defusion in Uttar Pradesh, Vikas Publishing House, 1994.

Shiva, Vandana , 'The Violence of the Green Revolution', London, Zed Press, 1991.

Saini, B.S., The Social and Economic History of the Punjab (Including Haryana & Himachal Pradesh) 1901-1939, Ess. Publisher, New Delhi, 1975.

Talbot, Ian 'Punjab and the Raj 1849 - 1947', Manohar, Delhi, 1988.

Thornburn, S.S. Mussalmans and Money Lenders in the Punjab, Mittal Published, Delhi, 1984.

Tyagi, D.S. 'Managing India's Food Economy : Alternatives in a Self Sufficiency Environment', Delhi : Sage Publications, 1990.

T.V. Sathyamurthy (ed.) Industry and Agriculture in India Since Independence, OUP, 1995.

Varshney, Ashutosh - Democracy Development and the Countryside Urban - Rural Struggles in India, CUP, 1995.

Goldman, Ian & Winters, L. Alan, 'Open Economies : Structural Adjustment and Agriculture, CUP, 1992.

Turner, Mark & David Hume - Governance Administration and Development : Making the State Work.

Yudelman, Comparative Experience of Agricultural Development in Developing Countries of Asia and South-East Asia Since World War II, Tracker and Co. 1972.

**Articles :**

Bajaj Satish Kumar, 'Malcolm Lyall Darling - a Strategy of his prespective. Punjab Past and Present, 1980.

Balgopal, 'An Ideology of the Provincial Propertied Class', EPW, 5-12, Sept. 1987.

Banerjee, H. Zaminder Cultivator Relation and the Struggle over Rent in The Punjab (1849-1901) Punjab Past and Present, 1979.

Bannerjee, Himadri, Growth of Commercial Agriculture in Punjab During the second half of the nineteenth century - Punjab Past and Present Vol.2. 1978.

Barrier, N. Gerald, The Punjab Disturbances of 1907 : The Response of the British Government in India to Agrarian Unrest, Punjab Past and Present, 1974, vol.8.

Chand, Ramesh & Haque T. 'Rice - Wheat Crop System in Indo-Gangetic Region : Issues Concerning Sustainability', EPW, 27 June - 31 July, 1998. Vol, xxxiii.

Dasgupta, Biplab, 'SAP : Issues and Conditionalities : A Global View', May 17/23 - 24/30, 1997.

Domin, Dolores, Some Aspects of British Land Policy in Punjab After its Annexation in 1849 - Punjab Past and Present, Vol. X, Part I, April 1976, Serial No.19.

Gajrani, S.D. 'Agrarian Unrest in the Doab Region' 1907, Punjab Past and Present, 1980, Vol.14.

Ghosh, Jayati, 'Indian's Structural Adjustment, An ssesment in Comparative Asian Context', EPW, May 17-23, 1997.

Gill, S.S. & Singhal, K.C., 'Farmers Agitation : Response to Development Crisis of Agriculture, EPW, October 6, 1984.

Gulati, Ashok, & Sharma, Amal, 'Agriculture Under GATT : What it holds for India', EPW, July 16, 1994.

Harris White, Barbara, Janakiraj S. 'From Green Revolution to Rural Industrialisation in South India, EPW, June 1997.

Barrier, Norman J., 'The Formulation and Enactment of the Punjab Alienation of Land Bill', - The Indian Economic and Social History Review, Jan 1965, Vol. II, No.2.

Rao, Mohan, J., 'Food, Agriculture and Reforms: Change and Countinuty', EPW, July 18/24 - 25/31, 1998.

Jodhka, S. Surinder, 'Return of the Middle Class, Seminar, April 1999, (21-26).

Krishnaswamy, K.S. 'Agricultural Development Under the New Economic Regime, EPW, 1994, 25 June.

Maxwell, Simon and Adrain F. 'Cash Crops Developing Countries : The Issues, the Facts, the Policies, World Development, vol.17, no.11. 1989.

Patibandla ,Murali, 'Economic Reforms and Institutions : Policy Implications for India', EPW, May 17-23, 1997. (Pg 1083-1089).

Patnaik,Prabhat, 'Macro Economic Policy and Income Distribution - A Note' May 17-23, EPW, 1997.

Patnaik ,Utsa, 'Political Economy of State Intervention in Food Economy', EPW 17 May - 23 May, 1997.

Patnaik , Prabhat, 'Industrial Development in India Since Independence', Social Sceintist, No.83.

Patnaik, Prabhat, 'Macro Economic Policy Income Distribution', EPW, 1997 (May 17-23).

Patnaik, Utsa, 'Export-Oriented Agriculture and Food Security in Developing Countries and India' Spl. No. 1996, EPW, (pg.2429-2449)

Porkayastha, P. 'New Technologies and Emerging Structure of Global Dominance', EPW, Aug, 27, 1994.

Puri, K. Harish, 'The Akali Agitation: An Analysis of Socio-Economic Bases of Protest', 23 Jan 1983, (113-117) pp.

Rao, C.H.H., 'Agricultural Growth, Sustainability and Poverty Alleviation: Recent Trends and Major Issues of Reforms', EPW, 18-24, July,

Rao, V.M. 'Economic Reforms and the Poor : Emerging Scenario', EPW, July 18-24, 1998 (pp.1949-1954).

Rao, C.H.H. 'Reforming Agriculture in the New Context' EPW, April 16-23, 1994, pp1005-1010.

Sen, Abhjit, 'Liberalisation and the Agricultural Sector', Monthly Commentary Vol 23- 24, 1992.

Krishnaswamy, 'Globalisation and Agriculture', , EPW, 1994. June 25.

Shiva, V. & Crompton T, 'Monopoly and Monoculture - Trends in Indian Seed Industry', EPW, vol.xxxiii, no.39, Sept. 26. 1998.

Shiva, Vandana, Emani Ashok, and Jafri H. A., 'Globalisation and Threat to Seed-Security case of Transgenic Cotton Trails in India - EPW, March 6-12/13-19.

Sidhu, H.S. 'Agricultural Development and Agro Industries in the Process of Industrialisation : A Case study of Punjab (India), Int. Journal of Punjab Studies, Vol. 3, No. 2. 1999.

Singh, S. 'Green Revolution agro Industrialisation : A Case Study of Primary Food Processing Industries in Punjab, International Journal of Punjab Studies vol.6, 1991.

Sinha, Anup, 'Economic Reforms and Macro - Eco Policy', EPW, April 16-23, 1994, Vol.xxix, No.16 and 17.

Streeten, Paul P., 1993, 'Markets and States : Against Minimalism', World Development, Vol.21, No.8.

Talbot, Ian, 'British Rule in The Punjab, 1849-1947', The Journal of Imperial and Commonwealth History', xix, No.2, May 1991.

Thomas, P. Singh Sukhpal, Kanitkar Ajit, Ahmed Sara, Johnson Micheal E. Dunkel Text : Implications For Rural Sector', EPW, 1994 (Mar 26) Vol. xxix, No.13.

Thorner A. 'Semi-Feudalism or Capitalism contemporary Debate on class and Modes of Production in India', EPw, 4,11 and 18 Dec. 1982.

**Paper Clippings :**

Shiva Vandana 'Act now to Save Indian Agriculture', **Asian Age**, 6 Sept. 1998.

Mitra Ashok, 'Efficiency, my foot' **Newstime Hyderabad**, 14 April, 1999.

Sengupta, Jayashree, 'Boosting India's Agro Exports, **The Observer**, 9 Nov. 1997.

Shiva, V. 'Patently Bad law' **Newstime (Hyderabad)**, 22 April, 1999.

Patnaik, Utsa, **Emerging Contradictions in Agrarian Economy, Peoples Democracy**, 19 July 1998.

Pani, Narindar, 'A National Dimension : Fallacies in food Security', **TOI**, 3 April 1999.

Alagh, Y.K. 'How to Maximise Agricultural Exports', **Indian Express**, 22 Dec 1998.



Alagh, Y.K. 'Farmer as the Pemanent Victim', 13 April 1999, **Indian Express**.

Alagh, Y.K. 'Agricultural Policy Mishaps', **Indian Express**, 25 may 1999.

Mann Kuldeep, and Kular K., 'Killer Cotton Story is re-told, In the Cradle of Green Revolution', **Indian Express**, N. Delhi, 17 June 1998.

Singh S., 'Urgent need for corrective measures in the Countryside', **Tribune** (Chandigarh) 26, April, 1998.

Nayar, A. 'Debtes Drive Peasants to Suicide', **Newstime**, (Hyderabad) 18 July, 1998.

Gill, M.S. 'Needs of Punjab Economy', **The Tribune**, June 10, 1987.