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Class interest shapes political decisions: a case-study of agricultural policies in post-liberalisation Indian states of Chhattisgarh, Gujarat and Karnataka

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Abstract

The objective of the thesis is to comprehend the nature of agricultural policies in three Indian states - Chhattisgarh, Gujarat and Karnataka, by analysing through class-state interactions how classes influence agricultural policy decisions and policies' impact upon class-formation and consolidation.

Mainstream literature in politics has seldom focused on agricultural policy. In economics, the focus has been on the assessment of the impact of policies; there are few who view the policy through a liberalisation lens which makes the global dynamics explicit but does not enter the intricacies within a nation-state, thus assuming a uniformity. Numerous class analyses of Indian society have been undertaken which are either reductionist or enmeshed with caste to make sense of Indian social structures. My objective was to explore the operating political settlement in each state, focusing on the ruling classes / dominant classes and their relation to the State. The particular period under scrutiny is 2004- when Bharatiya Janata Party faced defeat at the centre for neglecting the rural interests.

Based on an inductive research method, it explored cases from literature, field-interviews and newspapers across cities and district headquarters, drawing inferences for each state. It entailed district-wise understanding of how classes are situated, if their means of accumulation have undergone a change in last decade and whether they use individual or organisations to influence state institutions. It is related to land acquisition policy and practice in each state. A variety of stakeholders, academics, bureaucrats, political activists, development-sector workers, farmers, and farmer organisations were interviewed.

The main conclusions are that capitalist, political class (politicians and bureaucracy) and big/capitalist farmers form the political settlement in the three states. Secondly, there is growing difference between big farmers and marginal farmers, where former maintain relation with state institutions at different levels and have also been presented with opportunities in new policy regime of 2000s. Thirdly, a foray into the policies post-2000 shows the differentiated impact of
policies on different classes, the main gainers being capitalist and big farmers. It has transformed them into petty bourgeoisie or merchant capital class. It has been concluded that political connections foster economic accumulation thereby bringing the proprietary classes closer. The political class has gained in this era, particularly from land transactions. Liberalisation has benefitted the proprietary classes and its fractions which includes the rural capitalist class, particularly after 2004. Even in era of globalisation, internal factors like class alliances play a significant role in politics and policy making.
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List of Acronyms

ABD: Accumulation By Dispossession
APMC: Agricultural Produce Marketing Cooperative
Assocham: Associated Chambers of Commerce and Industry
BJP: Bharatiya Janata Party
BKS: Bharatiya Kisan Sangh
BKU: Bharatiya Kisan Union
CEO: Chief Executive Officer
CII: Confederation of Indian Industry
CPIM: Communist Party of India (Marxist)
CPR: Common Property Resource
FAS: Foundation for Agrarian Studies
FCI: Food Corporation of India
FDI: Foreign Direct Investment
FERA: Foreign Exchange Regulation Act
FGD: Focus Group Discussion
FICCI: Federation of Indian Chambers of Commerce and Industry
GATT: General Agreement on Tariffs and Trade
GDP: Gross Domestic Product
GPP: Gujarat Parivartan Party
HDR: Human Development Report
HYV: High Yielding Variety
ICCP: Intensive Customer Contact Programmes
IFFCO: Indian Farmers Fertilizer Cooperative
IMF: International Monetary fund
IRMA: Institute of Rural Management Anand
IT: Information Technology
JDS: Janata Dal (Secular)
JNU: Jawaharlal Nehru University
JPL: Jindal Power Limited
KHAM: Khsatriya Harijan Adivasi and Muslim
List of Indian terms

*Khedut* - farmer in Gujarati language

*Godhra* - a communal violence which occurred in central Gujarat in 2002

*Basti* - small shanties as opposed to big houses owned by upper castes.

*Jhuggis* – small shanties often makeshift housing

*Nagpanchami* - an important festival for farmers when they ask for forgiveness from the snake god for having killed snakes in their fields

*Jagirdari* - a feudal system of land-ownership practiced in British India in Deccan regions. The landowner is called the *Jagirdar* who was responsible for paying revenue to the British government

*Reddy* - a landed caste from Andhra Pradesh who have diversified to other sectors

*Patta* settlement rights

*Anganwadi* - literally means courtyard shelter. The government of India started a programme in 1975 to provide food, and medical facilities to village children to combat hunger and malnutrition.

*Mandis* - Local market often located in suburb or small towns where wholesalers and farmers sell their produce.

*Dalal* - Intermediaries who set up land deals.

*Gram Sabha* - Lowest level of three tier system of PRI.

*Sachher* - Government officer who works as secretary to gram panchayat.

*Sarpanch* - Headman of a village. In traditional system he would be an elder person and in recent system, the head of the elected local level institutions, gram sabha. Also referred to as mukhia.

*Crorepati* - Person having assets worth more than Rs. 10 million.
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Introduction

This thesis is located geographically in India and temporally in the liberalisation era. The objective of the thesis is to comprehend the nature of agricultural policies in three Indian states-Chhattisgarh, Gujarat and Karnataka, by analysing how classes influence agricultural policy decisions and their impact on different rural classes, during last two decades. The point is to unravel which classes have been most influential on agrarian policies to explain why other classes’ interests have remained less articulated.

The thesis addresses the pre 90s literature on state-class relation in India particularly that of Pranab Bardhan (1984) and Ashok Mitra (1977) to find whether the picture posited by these two scholars holds true in current India. The two key elements borrowed are class analysis from Bardhan and analyzing forward and backward linkage to policies from Mitra. In the same breadth, green revolution literature with special reference to T.J.Byres is put forth --who identified the resource bias of technology then introduced. Whether the new policy has a similar characteristic is to be investigated.

It looks at scholars like Aseema Sinha, Ashutosh Varshney, Atul Kohli, John Harriss, Stanley Kochenek, Mushtaq Khan who have written on state-society relation through decades and attempts to decipher them in current context. A discussion on these scholars point at the various arguments made already about India and allows to identify the small gap in literature where the thesis strives to contribute.

The topic of the dissertation owes much to my formative years as a politically concerned social science student in India. My first field experience goes back to 2005, when as a Masters student I visited villages in Orissa. It triggered an interest in rural politics and economics. Trained in political science, I felt an indomitable urge to use the training in politics to understand the economic situation the small farmers were evidently living in. For me Economics is not about growth or gross national product alone but as much a question of distribution. So the dynamics of classes’ owning the means of production—whether policies impact appropriating surplus, accumulating and reproducing themselves—will remain at the heart of the dissertation. The Marxian notion of class is determined by relation to means of production, an economic feature. For the sake of the dissertation, importance of its political influence as Nicole Poulantzas and Ralph Miliband pointed out is carefully incorporated. Hence class as a category connotes an economic and political entity which is discussed further in next chapter.
The intent is to contribute to Politics as a discipline which has otherwise largely focused on identity/cultural politics or on understanding policies though a technical lens paying limited heed to this relation between Politics and Economics. I felt that some issues were left under addressed. Hence the core question of my M. Phil was how important class politics around agrarian issues were in shaping agricultural policy between 1950 and 1970 India. For my PhD I wanted to develop my understanding of rural politics and economics and this time in the contemporary period.

One more personal experience triggered the research topic. Friends and family in cities spoke of ‘villages’ like it was not a part of their reality. The iron curtain between rural and urban India as they saw it made me uncomfortable. I wanted to investigate the relation between rural and urban India to see if they were such exclusive territories. Previous field experience led me to suspect that over the last two decades, rural and urban relations had been bolstered. The exploiter-exploited relation between lower and upper classes within rural economy have intensified in this period in some countries (Bernstein 2010). While the capitalist farmers have found more opportunities to invest their surplus into different trades and business, as created by liberalisation the surplus is extracted by exploiting the labouring class. These notions were of interest to me and I wished to develop them further in Indian context.

Mainstream literature in politics and sociology seldom engage with issues pertaining to different classes of farmers and if they do, they view these categories as operating only within rural economy as if they have no stakes in urban world (Varshney 1995, Kohli 1999, Sinha 2005). Few scholars like Barbara Harriss-White, V.K.Ramchandran, Madhura Swaminathan, Vikas Rawal, Surinder Jodhka have suggested otherwise but they all lie outside the realm of Political Science. So I wished to use my theoretical grounding to interpret this dichotomous reality to contribute to the literature. Issues to be dealt with would be whether policies in liberalisation-privatization era has expanded farmers’ field of operation to urban—which entails industry and services or further limited it to rural or if different categories of farmers have gained differentially. It other words, a foray into various avenues of diversifications taken up by farmers in neo-liberal era is made.

The other important actor in the schema is the State. Training in politics through years made me realise State which was made of real people were socially embedded. Hence their decisions could
not be rational in a Weberian sense but rather formed and influenced by their social position in the structures. This raised the question, what constitutes this interest? While many would argue caste, language, religion are defining part of their identity, in post liberalisation era, it is likely that economy came to dominate our entities more than any other. Making use of opportunities, coping with economic challenges and securing one’s place has been order of the day. To pursue such interest consolidating class interest, infiltrating political institutions to carry forward the agenda would be the most suitable way forward. Individual bargaining is harder and pushing for policy changes more improbable. Usage of identity like caste or language to gain leverage has been rampant in India but the primary objective I suspect was not political but economic gain.

Academically, mainstream literature in Politics discipline has seldom focused on agricultural policy with exceptions like Ashutosh Varshney, Sudha Pai, Susanne Rudolph and Surinder Jodka while in the discipline of economics, the focus has been mainly on assessing the effect of policies, e.g. land reforms or green revolution. In recent times an overwhelming number of scholars have written about agrarian policy through a liberalisation lens which makes the global dynamics explicit but they do not enter into the intricacies within a nation state, thus assuming uniformity. Since the point here is to trace both the forward and backward linkage of policy, attempting to study many policies seemed an unmanageable task. Hence I chose to study one policy across different regional states to allow a comprehensive understanding.

Agrarian issues also seemed relevant for its vast reach. Not only does agriculture employ 47 per cent (World Bank 2012) of the working population in the country, agrarian related issues such as food prices touch the lives of every Indian. Moreover, compared to other policy areas such as social policies it is underresearched. For the moment, the popular focus is on social policies like the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)\(^1\) or the Public Distribution System (PDS)\(^2\). Although such social policies are directed towards some of the same social groups as I would want to investigate, it was a wish to understand the underlying economic dynamics and how policies influenced them which drove me to focus on agrarian policies i.e. the policies relating to a productive sector. I also expected that the underlying

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1. MGNREGS an Indian government welfare scheme passed in 2005. It legally guarantees jobs for rural Indians of at least 100 days in every financial year to one adult member of every household. This generally means doing unskilled manual work like digging tanks, building roads and other public work. The per day minimum wage is Rs 120 (US$1.80) at 2009 prices.

2. The PDS is another welfare programme of the Indian government under which food raw materials like rice, wheat, oil sugar are provided to below-poverty households for a subsidized price. The rate is determined by state governments so is the distribution of these products.
economic dynamics for policy making in a productive sector would be more integrally connected to class relations. Whereas social policy would be more a consent-generating mechanism as Gramsci (1999) had seen in Europe. This said, while focusing on an economic policy, other policies could not be entirely excluded empirically as respondents would sometimes see both economic and social policies as relevant for topics discussed within.

I also decided that despite the research based in an era of globalisation, little attention would be put on global actors. This is not to disregard their role or their dominance in the agrarian field. In fact I take their influence as a given. Big multinational players like Monsanto, Cargill, Dupont among others along with organisations like WTO, IMF and World Bank are exerting tremendous influence on our food regimes and hence on national agricultural policies (McMichael 1997, Bernstein 2010). However, what interested me was how the dynamics within a country are responding to this and how classes are working around this to maximise their own accumulation or livelihoods.

**Overview of theoretical debates**

To repeat, the objective of the study is to explore different classes’ position, the extent to which their interest is taken in consideration in agricultural policy making and how such policies affect their means of accumulation. This stands apart from conventional political scientists who explain policies through a lens of institutions, primarily the ‘State’. The past decade has seen a renewed emphasis on institutions in the literature. Especially regarding China and Brazil, but also India, there seems to be more to the story than an imposed uniformity of neo-liberal institutions from without (Chang 2002). There are authors who argue for a minimalist state since all discrepancies are created by the state. Markets left on their own would straighten these anomalies out so what we need are good policies and good institutions for market based development (ibid). The essence of the adjective ‘good’ is ‘obedient’ where the lords are the craftsmen of neo-liberalism. These notions of the state and policies do not assess the ground situation appropriately and generalises to an extent which makes it difficult to understand what a State-in my case, India-looks like from within seemed an important problem for me.

Globally scholars have of course, dealt with the task of relating class and state. This has been accomplished at a theoretical level by European scholars such as Nicholas Poulantzas and Bob Jessop. They developed notions of how capitalist classes from being external to the state become
integral part of the same, occupying political positions themselves in monopoly capitalism. The literatures relating to ‘political settlement’ that Mushtaq Khan and D. John have conceptualised is also helpful to explain the Indian political-economy. The skeleton that they provide of coalitions amongst elites and the political system seemed suited to understand the Indian case. As they envision the democratic state, it is one which is ‘neither autonomous nor a social contract, but a bargaining equilibrium or relation amongst relevant political forces’ and ‘no one stands above the will of the contending parties’ (Przeworski 1991). It is the elites who engineer this agreement within political institutions. The categories used by these two sets of scholars differ so the thesis seeks to build a bridge between these categories of elites and classes. These theories do not find a parallel within the Indian literature, with a few exceptions discussed at end of this section.

Coming to India literature, within Political Science, a dominant current is where the State is seen in isolation from social groups, or at best, operating among such groups but way superior to them. For example, this line of thinking dominates Rudolph and Rudolph’s (1987) and Francine Frankel’s (2005) writings about Indian policies and politics. This approach to understanding politics limits us from developing a comprehensive picture; opposed to these studies, the intention here is to focus on group dynamics and on the role of social structures in shaping policies and policies in turn consolidating such structures.

The existing literature on India to which the thesis is most closely aligned is comparative analysis of states on basis of policies. Tracing both similarity and dissimilarity across states in India in terms of social policy is not new (see, primarily, Kohli 1990, Harriss 1999, Sinha 2005). Cross state comparisons of specific agricultural policies also exists in literature. Kohli (1987) probes the regions and focuses on the state governments to understand what goes on in the grassroots. The central question that he attempts to answer in his first book is ‘do regime types make a difference in the effort to combat poverty?’ (Gupta 1989, p 790). Regime is defined as the political party and its ideology and capacity to implement policies.

John Harriss (1999) looks at several socio-economic indicators to explain poverty, including education, health and links it to political parties. He touches upon class, but then moves on to caste as a more subjective form of differentiation seen commonly in rural India. Aseema Sinha (2005) probes deeper as she draws a comparative on three Indian states. The central question she grapples with is ‘which kind of state will provide developmental governance?’ (2005, p.3).
Although she draws attention to regional elites like the Patidars, Kanbis and Kshatriya castes in Gujarat who wield pressure on state, she argues that the groups cannot explain economic policy developments. Moreover, the groups chosen by her are often cultural and religiously defined which is not the entry point I choose. The comparison of states on the basis of class which will be attempted here challenges the state’s position vis-à-vis social forces.

India like many other countries has gone through significant changes in growth and sectoral composition of Gross Domestic Product (GDP), by adopting liberalisation, privatization and globalisation. But it has maintained itself as a democracy and has had stable governments and periodic elections. The credit for this is often ascribed to the institutions. Democracy has been a beacon of hope in analysis across academia and development research, a ‘good institution’ as noted in Washington Consensus. Being surrounded by nation-states which have ever so often slipped into military rules and authoritarian governments, India has stood out. This is the point of departure from which Varshney (1995) argues. Within this line of thinking, institutions are the undisputed solution to all social and economic inequality since it is marginally influenced by social structures. His work is important to this study since it analyses agricultural policy decisions over four decades in India. He sees policies as an outcome of negotiations among the different ministries of the government and in relation to industry; In his own words, ‘the battle for policy was essentially fought within the state institutions by political leaders who had different visions of the agrarian economy and who, along with their bureaucratic allies, led different factions of the ruling party’ (ibid, p78). Here again I pose a question as to what constitutes these various perspectives and how social forces influence formation of the perspective the leaders present. What are the class affiliations of these leaders? Who can and cannot participate in the political process provides an answer to functioning of the state which nuances Varshney’s understanding of policy making.

As stated earlier, my work looks at both forward and backward linkages to policy. The arguments made by Barbara Harriss-White (2002) and T. J. Byres (1997) are spelt out here. Harriss-White (2002) argues that policy making is not an apolitical process, but is rather enmeshed in politics in more levels than one. Byres (1997) argues policy-making is deeply intertwined with social power relations. These two formulations by the above authors lay the bedrock of the dissertation. My
point of departure is where state and socially powerful classes\(^3\) (the proprietary classes), are equal partners in policy making as both are motivated parties. Regarding forward linkages, Ashok Mitra (1977) has discussed the class bias in Indian Farm Price Policy and identifies the gainers of the same. This is a useful precedence to my objective to study how policies can consolidate or even form new classes.

**Form and Matter**
Any research has two elements — form and matter. This research derives its ‘form’ from Kohli’s (1987) work in comparing three states, but attempts to be more comprehensive in two ways: a) its detailed comparison of agricultural policies since the ‘90s and b) the scope of this study goes beyond comparing the policies: it will focus on the class compositions which are affecting such policy decisions and leading to further consolidation of existing classes, thus completing the circuit. An aspect not explored in Kohli’s work. In other words, both forward and backward class linkages to policy and to the state have been traced. To be fair to Kohli, in his later writings (2004 and 2009), he argues that political institutions have become proximate to economic interest, something which indeed is a significant shift from his earlier position. But he continues to align to the superiority of the state over social forces.

In ‘matter’, the study finds Pranab Bardhan’s work the closest. Numerous class analyses of Indian society have been undertaken, by leftwing activists, political parties and fewer by academics. Class analysis has been either been ascribed as reductionist or enmeshed with caste to make sense of Indian social structures. As the study has taken shape, it has built on Bardhan’s framework of three classes (1984, 2002). The main difference remains that he performs a pan-India analysis but my work is based at state level, and brings out interlinkages amongst the three main proprietary classes. The study is more nuanced in terms of tracing how class interests percolate political system. By doing so it addresses which class concerns are accommodated in policy formation. There is inclusion of caste wherever it emerged as a relevant identity in the political dynamics.

When the study began, an important question to sort was where should the study be located? Agriculture is a state subject in India and thus the state is the obvious unit of research. As indicated earlier, it was decided that a three–state comparison model shall be adopted. It held the

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\(^3\) Since Byres points out those social power relations find their way into political arenas, so we can deduce those who are socially powerful will wield disproportionate power on the state apparatus.
promise to cull out how political settlement operates in each state, the nature of the state and how classes negotiate their demands vis-à-vis the state. Comparative analysis could then be used to draw generalisations about the liberalisation era. Focusing on existing dominant groups, regional disparity within the state, the way political parties have maintained linkage with social groups and nature of agricultural policies were few parameters in ascertaining the states.

The real choice was perplexing but the final combination of Chhattisgarh, Gujarat and Karnataka is novel and promised to address a wide spectrum. The states are at different stages of economic development, and are sectorally diverse. In addition, Chhattisgarh has hardly been written upon since its formation a decade ago. When I did fieldwork as a part of my professional assignment in 2009-10, I saw some tendencies which made little sense. Reading more on it, expanding the purview of research seemed essential. Gujarat has been in limelight due to high rate of growth in past decade and its conservative political climate posed a challenge which as a researcher was enjoyable. I decided to take a third state to deepen the understanding and since Karnataka had the same political party in power in 2010 and was a high-growth state in agriculture (mostly), it became the third state. Its performance in floriculture and horticulture made it a particularly important case to explore.

The method employed for the research is inductive. With the help of secondary literature and field based investigation over a year, information was gathered. Based on cases from newspaper, literature and field interviews across cities and district headquarters, inferences have been drawn for each state. The methods in field were structured interviews and long interviews, with few focused group discussions.

Chapters
The first chapter opens with a discussion on scholars who have theorised on social groups and state, and their interrelation. Some of these authors use class as a category while others use more plural concepts like elite. Most of them write in a non-Indian context. In the second half, it entails a detailed literature review of notions of different classes—big farmers, landlords, small farmers, petty bourgeoisie, capitalist farmers, industrial capitalists, wage labour to determine which class categories would be the focus of the study.

The second chapter provides a detailed understanding of various aspects of agricultural state policy from the production side. Agriculture spans huge and diverse processes so there was a
need to predetermine which parts would be concentrated upon. The main sections are on credit, 
seed, fertilizers, water, cropping pattern and various ‘actors’ involved in each of the above like 
farmers, trader, moneylender and input shop owners. Thinking through these issues and 
undertaking a literature review helped in ascertaining which agrarian policies were most relevant 
for my work.

The third chapter deals with the methodology of the study, including the sequence of states I 
conducted fieldwork, what method would be appropriate, which stakeholders I interviewed, the 
obstacles faced and the main questions which guided my interviews. Attempts were made to 
investigate the effective processes and channels that underpin the relation between dominating 
classes and state. This includes liaison with political parties.

The second half of the thesis is in keeping with the empiricist Anglo-Saxon tradition. The 
concepts established as central through the theoretical discussion of class and state have been 
 woven into an inductively oriented assessment of concrete ground findings. The fourth, fifth and 
sixth chapters deal with the three states describing and analyzing the field findings. It broadly 
 attempts to sketch the dominant classes in each state, its relation to regional state, possible 
influence on policy formulation and what change has it undergone since new policies came in 
after ’90s. A discussion of proprietary classes within rural economy is followed by their political 
affiliations in last twenty years. This affiliation might be an effect of the new opportunities 
created by liberalisation and subsequently the agrarian policy or it may be that the classes are 
affecting changes through influencing the process of policy making. Each chapter carries a 
section on those aspects relating to the agricultural policy of each state which have been main 
drivers of agricultural growth, e.g. irrigation, price policy, subsidy on machinery. Other aspects 
are touched upon as well, including farmers’ organisation, land acquisition and decentralisation. 
Eventually, these sections are woven together in the conclusion building causal links, where 
possible.

The last chapter concludes on the basis of the empirical findings that a capitalist class has 
assumed a dominating position within each state, albeit in different equations. The capitalist 
farmers, big farmers and landlord are allies in these formations but they are not the dominating 
interest. Also they do not represent a rural interest alone as they have increasingly taken to trade, 
input retailing, money-lending opportunities created by privatization. So they relate more to big 
capital than small farmers and turn out to be virulent oppressors of the small and marginal
farmers. The term small farmers include small and marginal farmers henceforth in the thesis. The agrarian policy highlights inputcentricity and mechanisation which are ideal in large-scale commercial agriculture, the benefit thus accrues to state’s primary allies, the capital and secondary ally, capitalist and big farmers. The small farmers failing to compete are selling land thus creating a continuous supply of land to be captured by the ruling classes. A demand and supply relation is not determined by market. Rather, it is facilitated by state policy.
Chapter 1

Policy making, class factor and political economy: Setting the theoretical framework

In the dissertation, the approach is that of a class analysis. It is admittedly a one sided analysis i.e. class is a social relation with capital and labour on two ends, but here the capital side of this relationship is explored. In order to understand capital and state relation, the case of mainly agricultural policies and associated policy like land acquisition pursued by the regional states in post liberalisation era, shall be the points of concern.

1.1 Relations between Class and State
As already stated, the study applies a political economy perspective in analysing proprietary classes’ influence on agrarian policy making in India. Thus class assumes a central position in the analysis. It will identify the key classes dominating the relations of production, their means of production and accumulation, and assess if these means have undergone a change or alteration over past two decades, under the impact of state policy. Thus ascertaining their economic interest will be the first step of the study. The next step will be to understand their relation to the state (regional). Direct intervention and representation of class interest in policy making will always be covert, if it exists, and thus near-impossible to study. Instead, their role in policy making will be construed through a study of formal and informal contact, proximity and relation between the political class and the proprietary classes.

Two schools surfaced within Marxism in the 1970s regarding the analysis of the capitalist State, personified by Ralph Miliband and Nicol Poulantzas. Miliband’s drew on the Communist Manifesto to formulate his notion of the State while Poulantzas drew on Das Capital and writings of Gramsci (Barrow 2000). Miliband, takes an ‘instrumentalist’ view as he argues that the state is directly controlled by capitalists, rather than by capital, thus reducing the state to an instrument in their hands. In Miliband’s language, the ruling class of a capitalist society is ‘that class which owns and controls the means of production and which is able by its virtue of the economic power thus conferred upon it, to use the State as its instrument for the domination of society’ (p.23). He draws historical instances to understand state functioning. Poulantzas takes a more structuralist view.
Both scholars were influenced by Gramsci’s analysis of the coercive and ideological apparatus of the state and civil society. But Polulantzas argued more systematically that the State serves a wider and more complicated role than just that of repressive and legitimation functions. It balances diverse class interests to maintain the continuance of the mode of production. To him, the main indicators of an effective state power is thus state policies propagating both capitalist accumulation and class structure.

Poulantzas also nuanced the meaning of classes as he incorporated political and ideological relations to what was often seen as a purely economically determined category. His definition entails the dominant class’ participation in and sometimes control of dominant political and ideological apparatuses that go on to determine the framing of policies (ibid). In line with Marx, he argues that in the capitalist mode of production, the direct producers are dispossessed from the means of production. Economic power is concentrated in the hands of the owners of means of production, the capitalists. They are an exploiting class, controlling the labour process and accumulating the generated surplus. The accumulation process is augmented by state policies which justify such exploitation in name of capitalist ‘development. Miliband does not pay adequate attention to what a ‘class’ connotes.

Compared to Marx, Poulantzas (1973) emphasises that steady accumulation over time, makes coercion and exploitation deployed through the political apparatus less necessary to maintain the dominance of capitalist class. Thus a stage is reached in capitalism when this translates into the separation between the economic and the political domain. The economic domain now operates under distinct economic apparatuses and certain economic laws, while political apparatus assumes the role of ‘maintaining cohesion’. The State does so through its monopolistic control over the coercive apparatus and through it constitutional power to legislate. It is not to suggest that they are completely separate domains, rather the political enjoys ‘relative autonomy’ (pp160-61 cited in Jessop 1983). He argues that though Marx identified certain social categories, ascertaining their role would mean interrogating their operation in the political domain which is close to the objective of this study. For instance, the state bureaucracy, defined by its relation to the state apparatus and intellectuals, entrusted with planning of economic and social projects taken up by state also performs the crucial function of deploying ideology.

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4 Poulantzas argues that if a class does not have a developed class consciousness and does not struggle in the political realm, then it cannot be deemed as class. For more details, see Poulantzas 1973, pp. 77-79.
Overall, Poulanzas’ analysis enables a more nuanced investigation of the relationship between ‘class’, ‘state’ and ‘policies’ as it points to the need to investigate how certain classes directly or indirectly diffuse state apparatuses to act in favour of their class interests, ‘lawfully and democratically’. Miliband did so but only in part as he spoke of direct capture of political offices. Policy making which is an integral part of the democratic process is seen as mired in class interest. It is through precisely through this lens that agricultural policy is put to scrutiny to understand whose interest it serves.

A similar understanding can be found in Byres (1997) who emphasises the classic Marxian view in his argument that the bureaucracy is, in fact, not of a disinterested Weberian-type. Rather, the state is embedded within social power relations, which collaborate and compete to form political alliances or pressure groups. Thus, social power configures the state. For instance, according to Byres (1997), this alliance manifests itself in state planning, which instead of being a rational exercise, reflects power relations between the state and different classes. Similarly Barbara Harriss-White (2002) argues that policy-making is a political process and enmeshed in politics at several levels, from deciding which item shall be allocated how much budgetary allocation to implementation. Thus policy making is also not a technical or a rational process. Poulantzas’ approach to class-state relations is thus very useful to the thesis objective ‘to understand class–state interrelations’ as he takes class to be as much a political category as an economic one unlike other Marxist scholars' conceptualisation of state-class relations.

It is well known that from a Marxist perspective, classes are constituted by their relation to ‘means of production’ and derive their differentia from relations of exploitation, domination and subordination. But this is not enough to understand them. Poulantzas held that there is a need to undertake classification within a class, into fractions and strata, based on differentiations in the economic sphere, as well as political and ideological relations (Poulantzas 1973). For a complex society as India the fractions have potential to explain the dynamic better.

The other term Poulantzas used for ruling class or dominant classes whose political interests are upheld by the State is the ‘power bloc’. A power bloc consists of different fractions of capitalist and other economically powerful classes like landed aristocracy, elements of petty bourgeoisie etc. Miliband's analysis once again is less useful as he talks of capitalists using the state, thus

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5 This argument is borrowed from Bernard Schaffer (1984).
excluding the possibility of wider power blocs playing an important role. This particularly is a
shortcoming when the case in hand is India with its myriad class formations and alliances.

Jessop (1983) developed Poulantzas’ thesis into a detailed analysis of the way the present-day
capitalist state interacts with dominant classes, as experienced in his context of Europe. He
argues that there is a close relation between private capitalist monopolies and the state apparatus.
Jessop goes as far as to refer to the phenomenon as ‘personal fusion’ where monopolists or their
kin come to occupy seats at the highest echelons of the state. Miliband (1969) had characterised
the capitalist state along the same lines, highlighting ‘interlocking of positions’. But for him, this
is the only form of control of capital over the state while for Poulantzas it is one of the many
ways capitalism operates to control it. For Jessop, political parties act as instruments of
ideological control whose loyalty is captured by monopolies investing in them, their election
campaigns etc. Other mechanisms of control mentioned by him include: interest associations,
lobbies, contacts with politicians and individuals who help in influencing policy decisions, more
so under monopoly capitalism; immediate contact with politicians and public officials which
often take the form of control over means of ‘mental production’ through control over school
curriculum, media and even religious institutions. This process of mental production might have
been developed after the famous Miliband and Poulantzas debate, to the credit of the former.

In addition to the concentration of economic and political power, Jessop (1983) makes two more
important points: first, that there is a simultaneous and almost complementary ‘immiserisation of
proletariat’ as capital consolidates its position and second, that there is a decentralisation of
power to micro-economic and/or local political levels. The former serves the dual purpose of
keeping the supply of labour going, while unemployed labour puts downward pressure on wages.
Decentralisation refines the control of capital over even the smallest areas of surplus production
or consumption and/or facilitates penetration of state control into all areas of social life (p.59).

However, it should be noted that the analysis put forth so far, with exception of Byres’ and
Harriss White’s contributions, are based on writings on the northern monopoly capitalist state.
So, can this serve as a framework to understand states in the south where the reality might differ?
Arguably it can. The core of Poulantzas’ and Jessop’s analysis is not specific to particular aspects
of capitalism; they outline the general relationship between capitalism and the capitalist state
(which makes them structuralists). The actual specific content of this relationship in any country
will vary and can only be known after a class analysis of that society is undertaken. It is worth stating that the class and state relation is not a one-way relationship with class acting upon the State. The state also plays a significant role in maintaining and shaping classes through its policies. It is here that Poulantzas’ notions of old and new petty bourgeoisie become most relevant. He highlights that new petty bourgeoisie emerges as capitalism surges ahead and grows through opportunities created by the market while old petty bourgeoisie thrives on state and its resources. The new class is characterised by the help it lends in consolidating the ruling classes’ hegemony and in the process, it erodes labour’s capacity to organise. To him these are two fractions of the same class, petty bourgeoisie. Mushtaq Khan’s (1996, 2000) notion of petty bourgeoisie is that of an intermediate class. Khan argues that in India these classes hold positions of leadership in civil society and also exert political pressure on the state. They use their influence to guide disbursement of rents by the state in form of subsidies, tax breaks, and licenses. Also try to stop the state from removing unproductive rents. This idea of petty bourgeoisie comes close to Poulantzas’ notion of old petty bourgeoisie.

Two crucial points emerge. State in monopoly capitalism plays the pivotal role of maintaining cohesion but the core remains serving the purpose of accumulation. Another group of scholars focuses on what they have termed the ‘political settlement’. Mushtaq Khan (2005), a proponent of the school challenges new institutional economics which views institutions as ‘incentive structures’ which will propel change (Di John and Putzel 2009). For Khan, institutions are value laden and not objective entities. They operate as a coalition partner to social groups, termed as ‘elites’, perpetuating the interest of latter. This arrangement between institutions and elite is what is referred to as the ‘political settlement’. The political settlement influences the way the state mediates between the various group demands and how is suppresses dissenting groups. Khan (2005) argues that factional competition in developing countries (democracies) is even more intense than the interest group competition in advanced country democracies.

The ‘political settlement’ scholars argue for a similar role of the State as Poulantzas did, namely, that of creating cohesion among different groups. However, the social groups that these scholars focus upon cannot be equated with social classes (or, at least not with a class analysis) as no

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6 It is a stage in capitalism as per Marx’s classification in which capital comes to be concentrated among fewer capitalists than in the stage before, industrial capitalism, thus proletariat grows in number.

7 The same thesis about institutions forms the basis of World Bank’s argument on ‘good governance.

8 Olson (1982) holds that interest group-driven redistribution is a problem faced only by mature democracies.
attention is paid to relations of production. Nevertheless, there is a good deal of overlap between their concept of ‘elite’ overlap and proprietary classes. The settlement when reached prior to government assuming power, it minimises transaction cost. The twin objectives of such a settlement are good governance and protection of property rights.

To Khan, informal arrangements play a key role in facilitating access of powerful groups to incomes through which they can continue ‘political’ accumulation, particularly in developing countries (Khan 2010). Politics is thus reduced to capturing resources, part of which is used to pay the supporters/voters. In case of India, the informal manners in which powerful groups access the state have been noted too (Harriss-White 2003 and Jenkins 2000).

In a polity, institutions and power distribution should be in parity because powerful groups will attempt to change any institutional structure which reduces their power. This balance between institutional make-up and resultant power distribution has to be sustainable because institutions, both formal and informal, have to achieve minimum levels of economic performance and political stability required for the reproduction of particular societies (Khan 2010). Such an institutional arrangement secures the power position of few and their benefits make for a stable political settlement (Di John and Putzel 2009). The elite bargain struck in this process secures state stability - important for the State to play a determining role in fixing taxes or using its monopolised violence. This is akin to the centrality of how class assumes political role and builds coalition found in Poulantzas’ scheme of analyzing state-class relations. The settlement to be effective has to operate both horizontally and vertically. In case of India this could be manifested as arrangements within castes and across classes. For an effective settlement among the dominant classes, particularly the bourgeoisie and the landlords, petty bourgeoisie acts as an important cementing factor; since it does not belong to either and benefits from both, the difference of interests of the major classes is somewhat mitigated by the petty bourgeoisie.

Di John and Putzel (2009) draw a cross-country comparison to reflect upon the benefits and constraints a stable coalition can offer. In the case of Guatemala, they observe that a landowner-military alliance obstructs tax reforms unlike in Costa Rica where landowners are not part of the ruling alliance of the state. Penetration into the countryside is also an important parameter of the state’s resilience. Securing rent allocation remains at the core of any political organisation that elites enter. Their interest is as much in protecting existing rights as strengthening emerging
capitalist groups (ibid). Di John and Putzel (2009) extend ‘political settlement’ from a conceptual level to a functional level where it can interpret the differential performance of states in the developing world. This perspective has rarely been applied in the Indian context but its analysis has been accurate in understanding several developing countries. It is well accepted that India has an economic and political elite, as both Kohli (2009) and Harriss, Corbridge and Jeffrey (2012) acknowledge. But questions like who they are, where they operate, what are their political interests remain under addressed.

Elite is an ambiguous term which renders deciphering who they are and discerning the multiple interests within elite, like landed gentry, industrialist, and political leaders difficult. Hence, I would use the political settlement framework as the operating arrangement but the constituent parts will be ascertained by conceptually locating proprietary classes, their means of production and link to state apparatus, since the ‘90s. The question of whether such settlement is effective in fostering economic development is a question which is secondary. Gujarat and Chhattisgarh have performed well in the period of investigation with Karnataka have periods of high and low. The literature available on this area is discussed below.

1.2 Organising principle
In the present study, interest groups have a specific meaning: groups who come together to protect their ownership of means of production and access to surplus. Outside the Marxist framework, well known scholars have also identified that policies of the Indian state since the 1990s have been geared towards fostering interests of specific interest groups. Kohli (2009) observes a kind of shift of Indian state from being more balanced among different social groups until the ‘80s to pro-business after the 90s. Harriss, Corbridge and Jeffrey (2012) acknowledge the greater response of the Indian state towards demands of the business/elite with disproportional opportunities for them like initiation of 600 SEZs. The state continues to negotiate expectations of other classes to diffuse tension. They mention ‘greater costs of participating India’s competitive politics led a growing number of politicians to finance their campaigns illegally’ (pp.15-16). In other words, the political class became dependent on economic capital to finance its increasingly expensive election campaigns and the latter were dependent on the former’s patronage for fast business clearances, subsidized institutional credit, infrastructural support etc. This symbiotic relationship between political and economic capital is indicative of a pro-business environment. Jayal (1999) makes similar observation. The increasing
cost of fighting elections in India is leading to proximity between propertied classes and political parties. It suggests that though voters have been mobilised along social identities like caste, such allegiances have began to be overshadowed by economic interest in demand politics since liberalisation; At local state level, in the context of the southern state of Tamil Nadu, Harriss-White writes extensively on how local state officials and merchants collude with each other to protect and enhance their interests (Harriss-White 1996, pp.299-300, 2008). Direct capture of political office, for instance, acquiring a bureaucratic or local government position (sarpanch or mukhia) by big farmer is also observed. Jeffrey and Lerche (2000) make similar observation about northern state of Uttar Pradesh with a detailed account of infiltration of state institutions. They noted that political brokers and economically powerful richer farmers exert control on state resources and use state power for their personal gain. These indicate class tie up with state apparatus which will be enquired further.

Partha Chatterjee (1997) and Gould (1995) argue, in the first three decades political regimes were built by tapping into social structure of rural India. Chatterjee opined that Congress dominance stood on ‘incorporating within its own structure of rule the existent dominant groups in the various localities’ (1997, p.299). BJP in Chhattisgarh is found fostering mercantile capital interest (Berthet and Kumar 2011). A logical conclusion under such circumstances would be that policy decisions are taken to benefit proprietary classes and facilitate their reproduction and accumulation, as argued by Poulantzas and Jessop in context of western countries. Whether or not it holds true for the states being studied and if so, what is its ramification in case of agricultural policy shall be examined.

1.3 State-society discourse in India
This section presents a selective review of literature by way of looking at some seminal works on the realm of social actors in political systems. Bardhan (1984) is one scholar who wrote about the interaction between the two, but his emphasis was more on the class analysis of Indian society. While important, it did not look at how these classes interacted with political institutions. Writing in the 1980s, the Rudolphs (1987) identified three main actors in India — capital, labour and state, though state for them is the most dominant. Neerja Gopal Jayal (1999) takes the position that boundaries exist between state and society though the two domains get influenced by each other. She observes that none of the Marxists write about the Indian polity directly which shows,
she argues, that this perspective has not found enough leverage in the Indian context. Her larger concern remains with public-private or religion-secular dichotomies which, according to her, triumph economic concerns. A chief lacuna is despite stipulating that democracy encompasses several allied concepts, like justice, freedom, equality and rights, she does not relate it to economic distribution and social justice.

Atul Kohli’s name stands out amongst scholars who have consistently worked on state-society relations over three decades. To list the factors which determine a state’s capacity to take strong policy decisions, he compares the performance of three states—West Bengal under CPM, Karnataka under Devraj Urs and Uttar Pradesh under the Janata party. Each state being bound by the same democratic-capitalist system (ceteris paribus) is faced with the same constraints, the primary distinguishing feature between the states being the difference in terms of policy which can be ascribed to the regional party in power (regime type). His arguments are decisively political, giving primacy to state and political party over social groups (Kohli 1990). In his 2004 book, he ascribes the multi-class fragmented nature of the Indian state as the reason for its limited ability to be a hard state. It reflects on the political determinants of economic performance in India, especially rates and patterns of industrialization, raising questions about the design and the capacity of India’s highly interventionist state (Kohli 2004, 257). It is critical to understand nature of state as the book justly does but what the author overlooks is the multi-class aspect of the state which mandates further breakdown. After 1990s, Kohli takes the position that India’s business receives undue support from the state to compete with global capital necessitated by the onset of liberalisation (Kohli 2006). A discussion follows about how Indian capital gets divided into two sub groups, with Chambers of Indian Industry taking a lead in welcoming reforms while Associated Chambers of Commerce was still protectionist. Keeping with academic rigour he engages with capital but overlooks who else form part of the elite gaining from the reforms. This is a second point which requires attention.

Kohli’s (2006, 2009) works notes a pro-business tilt of Indian state, a shift from his state-above-society position in earlier works. He ascribes it to the economic growth in ‘90s with global capital entering the Indian economy. The bureaucracy plays an active role in this shift of policy, both in formulating and consenting to changes. He reiterates that the Indian state has partnered capital in bringing about economic growth by focusing on economic growth above other goals. This he

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9 Marxists such as Byres, Mitra, Lerche discussed above are conveniently forgotten.
labels a shift from ‘socialist India to India incorporated’ (2009, p.147). He also draws a distinction between pro-business and pro-market where a former existing business receives state support and protection, and in the latter, new entrants are welcomed. He classifies India as belonging to the first category, protecting existing capitalists. This argument is agreed upon and taken forward in this thesis. That said, he holds the position that state is still autonomous of society as the state embraces 'Indian capital as the main ruling ally' (Kohli 2012, 93). He, thus, does not argue that businesses infiltrate state apparatuses, rather the state consciously partners business interest. This position is put to test in the Marxian framework, where, under capitalism, such autonomy of the state seems unlikely in current India.

Another point of divergence from Kohli (2006) would be where he argues business is the only gainer and rentier landlords are losing out in India after liberalisation. The dissertation attempts to understand if the ‘ruling ally’ as Kohli terms it constitutes of only capital or any other class? As Bardhan had pointed big farmers and political class were also allies prior to 1980s. So what happened to them is a question posed.

Sinha (2005) has analysed the state-society relationship in the context of three states, Gujarat, Tamil Nadu and West Bengal. Adopting a political economy perspective, she looks at the interaction between regional state institutions and social groups in each state with respect to economic policy decisions. She agrees that electoral competition has significant impact but she concentrates on institutions and ascribes the state central importance. Class composition and to what extent and how these structures influence institutions are not explored.

From the above, two main positions emerge, that of ‘state over society’ and the ‘state partnering social actors’. Both positions will be put to examination in the dissertation to understand the empirical findings. The theoretical section outlined how class is seen as integral to political system and definitionally it is as much determined by political and ideological relations as by economic relations. This conceptual position will be used to assess the empirical findings, standing apart from the positions taken by the scholars discussed in this section, which seems inappropriate to explain ground reality.

1.4 Class within India- different perspectives.
This section discusses the works of eight scholars who have worked with the analytical category of class in the Indian context. It sets out to explain what is meant by adopting a political economy framework. The subsequent discussion will refer to several academic cum political
debates as well as to operating class relations as presented by mainstream left parties in India. John Harriss (1999) emphasizes that class formation is a problematic notion. The relationships between ‘objective’ differences between groups of people, in terms of their relations with productive systems, and the subjective categories in terms of which people experience and understand their roles – between “class in it-self” and “class for it-self”- need to be taken into account. It is also essential to note that social relations exist not just between classes but even within each class there are different and often competing interests. For example, the difference between old and new petty bourgeoisie or that between national and compradore bourgeoisie to name a few.

Coming to works which focus on class directly, the first one discussed is the influential class-based theory of intermediate classes. In India it has gained currency in recent years especially through the work of Barbara Harriss-White (2003). She draws on Kalecki, and argues that the self employed and the middle farmers form the intermediate class which dominates the Indian state and its decisions in a big way. She calls it the intermediate regime. Their differentia is that they are a combination of labour and capital, since their income comes from both labour and risk taking with capital. Though not rich, they are numerically dominant. They have been the chief beneficiaries of government favours e.g. its licensing policy. Related to this, Khan (2005) identifies the petty bourgeoisie as those with college and university education and middle and big peasants and indulging in small trade, often acting as agents for political parties. They act as political entrepreneurs who lead both organised and informal politics. The intermediate class tends to dominate the countryside—small farmers and the wage-labour.

A different class based scholarly tradition is more in line with classic Marxian thinking. Daniel Thorner, writing in mid 1950s, operated with a three-fold classification of Indian rural population, whose differentia is drawing a living from the land. These were malik, kisan and mazdoor. The maliks were landed proprietors who derived their income by employing tenants and labourers. Kisans were those cultivators who ‘live primarily by their own toil on their own lands’ and mazdoors as those who ‘gain their livelihood primarily from working on other people’s land’. This was essentially a Marxian notion given his emphasis on possession of land, relations of labour-hiring and land-renting between the proprietary maliks and landless mazdoors, with the kisans occupying the middle rank (Thorner 1956, pp. 9-11 cited in Patnaik, 2001).

Since the 1950s the class composition in rural India has undergone a change due to land reforms and green revolution, especially tenancy reforms. Byres (1981) argues that a new capitalist farmer
class developed in India, as capitalist production and peasant differentiation took root under the green revolution. According to Bernstein (2010) capitalist farmers are those who exploit labour for profit, invest to expand production, even through increased productivity, funded new sites for commodity production and developed new markets for those commodities (p.33). The Rudolphs (1987) ascribe a central role to a slightly different category in agrarian politics of India, ‘bullock capitalists’. They are independent agricultural producers and are the products of the abolition of intermediaries. They have been the chief gainers of the green revolution having an average size of holdings between 2.5 to 15 acres, enough to support their infrastructural requirements. This suffices to engage in capital intensive agricultural production based on extensive use of machinery and employing labour (1980).

Utsa Patnaik (1987) drew up differentiation within peasantry in India not based on landholding and initial resource endowments as the only parameters of classification. She asserts that class position is also influenced by factors like family size, cropping pattern and intensity of cultivation, level of technology employed etc. One main indication of this is the extent to which a household hires outside labour and the extent to which the household members work for others. This and the exploitation criteria are used in Patnaik’s method of labour use index for identifying classes. She identified five rural classes-big landlords, rich peasants, middle peasants subdivided within into upper and middle peasants, poor peasants and wage labour. The first two are net exploiters of labour, the next two combine self cultivation and hired labour, but upper middle peasants generate surplus; the last have no ownership of land and sustain themselves through selling labour alone. The landlord class is reluctant to invest in agricultural modernisation since profits in agriculture are lower than that earned from investing surplus in non agricultural sector and rent from leasing out land.

The biggest of the Left parties in India, the CPI(M), views the agrarian question in a similar way. It takes a clear position in its 2000 programme that the ruling class is the big bourgeoisie, allied to ‘landlordism’, and this ruling class protects and helps operation of monopoly capital (CPI(M)).

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10 In his words, ‘among rich peasants, clearly, class consolidation has proceeded apace and has been hastened by the availability of the 'new technology'. They are, more and more, a class of capitalist farmers. Class-for-itself action has been pursued with relentless skill with respect to both subordinate rural classes and to the urban bourgeoisie’ (Byres 1981, 443).

11 The Rudolphs (1987) focus on the emergence of what they see as a modern middle peasantry thus discarding the role of the processes of peasant differentiation emphasized by Byres (1981).

12 Patnaik (2006) marks a departure from peasant differentiation to peasant-globalisation dichotomy, affected by the onslaught of agrarian neo-liberalism where internal differentiation among peasantry loses significance.
2000, 34 cited in Lerche 2013). Albeit, what landlordism refers to is not clarified. Lerche conjectures that ‘landlordism’ refers to the same class as Patnaik drew attention to in her work. They are capitalist landlords; that is, the kind of village-based, relatively small, ex-landlords that Patnaik referred to, who still own sizable amounts of land locally. CPI(M), finds that these (ex-)landlords are now actively investing in agriculture, rapidly adopting capitalist technology in agriculture.

The term landlords is misrepresenting given the change in mode of production noted by Patnaik and the Left. The increasing penetration of market in agrarian production process for providing inputs to machinery after ‘90s is not captured adequately in the class formulation. Hence the definition is found unsuitable. Capitalist farmer in my understanding is a distinct category from a landlord. The former produces with the aim of accumulating capital (i.e. profit that is reinvested in agriculture or elsewhere) and does so through exploiting other people’s labour; hence to the extent that s/he does not take part in the productive activity him/her self. They invest surplus in improving technology (seeds, fertilizers and machinery) to increase productivity in agriculture. Landlords are those who have a rentier class relation to agriculture choosing to invest in other sectors.

Bhaumik (2008) throws light on intricacies of rural class, pointing out that there are primarily two segments within big farmers – ‘landlords’ and ‘big farmers’. ‘Landlord’ is not used to refer to a feudal category, but rather a class which has its origin in feudal mode of production but has assumed a new character with technological advance. It is a term used to refer to capitalist landowners, who do not engage in cultivation. This surely is a differentiation arising from land-reform and tenancy reform. The landlords are those who are urban-bound and do not have stakes in the rural sector. They earn from farming but the surplus is diverted to the urban sector. Capitalist and landlord stands for a paradox in itself, since adoption of the former erodes the latter, even if this is an aspect scholars do not engage with. The big farmers are more rooted in the rural set up and often also directly engage in cultivation, like Patnaik’s rich peasants. As such, their interest is different from the landlord class since they engage with cultivation, through employment of wage labour or tenants. The surplus thus generated is invested in upgrading technology required in agricultural production. So even this class is found adopting capitalist methods of production. His categories are unclear and analytically weak. If a class has no stakes in agriculture and are urban bound, then why would they invest in capitalist technologies, so at
this point landlord class loses relevance. The landlords are urban bound and keen to seek opportunities in other sectors.

These categories receive further clarification from other authors. Ramchandran, Rawal and Swaminathan (2010) explain that landlord households have the largest holdings and their land is of high quality. Cultivation does not involve participation of family members. Either tenants to whom land is leased out or hired labour do the agricultural operations. Given their land monopoly, they are economically dominant, but given their high social status and direct or indirect access to political power, they also dominate traditional social and modern political structures. The big farmers are mostly from upper-middle peasant families, and sometimes from rich peasant families. It is by generationally investing the surplus that they have acquired more land and in the present situation, they also employ others to cultivate the land. They commonly derive income from money-lending, salaried employment and trade (2010, pp 24-25). The use of the term ‘farmer’ rather than peasant is more appropriate in India in post liberalisation era, where production for self consumption has reduced, cheap food under PDS has made buying food predominant among food crop growers and commercial cropping has registered increase in acreage.

In above two cases, scholars were found arguing landlord is a class operating in agrarian relations but Lerche (2014) disagrees. He identifies the dominant class in context of agrarian structure as the ‘big capitalist farmers’, in particular reference to Punjab, possessing big holding and running highly profitable capital-intensive farming businesses. The occurrence of ‘farming’ and ‘business’ together suggests the change in mode of production in agriculture. He chooses to stay away from the differentiation between landlord and big farmer. Lerche finds that the class is accumulating through various sources, several of which are created by the state like education and urban/overseas jobs, trading, agro-processing and moneylending; as well as possible land sale (p.17). Whether Lerche or Ramchandran et al.’s definition will be suitable for the ground reality is a question which has to wait until empirical findings are analysed. A capitalist farmer, in my understanding is one who may come from a big or middle farmer background but has adopted technological innovation to make agriculture profitable, investing surplus to upgrade capitalist production, sees agriculture as important to accumulation even if they have other means of income and do not undertake self cultivation. But in all cases whether a big farmer shall be a capitalist farmer or not is open to speculation. At this point, I see landlords as those who live off
rent, urban bound and do not engage in productive agriculture so they might be wielding socio-political power but in agrarian economy, their role is expected to be minimal.

In the following table, the concepts discussed above and of importance for the study have been presented in tabular format. The focus is on the capital side, so those classes are listed.

**Table: class and its various notions**

<table>
<thead>
<tr>
<th>Scholar</th>
<th>labour</th>
<th>mix of labour and capital</th>
<th>Capital</th>
<th>capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel Thorner</td>
<td>mazdoor</td>
<td>Kisan</td>
<td>Malik</td>
<td>gentleman farmers</td>
</tr>
<tr>
<td>Utsa Patnaik</td>
<td>small peasant</td>
<td>middle and semi – medium peasants</td>
<td>capitalist landlord and rich peasants</td>
<td></td>
</tr>
<tr>
<td>John Harriss</td>
<td>small farmer/lower caste</td>
<td>middle farmers/middle caste</td>
<td>rich farmers/upper caste</td>
<td></td>
</tr>
<tr>
<td>A.K. Bhaumik, V.K. Ramachandran, Madhura Swaminathan and Vikas Rawal</td>
<td></td>
<td></td>
<td>big farmer and landlord</td>
<td></td>
</tr>
<tr>
<td>H. Bernstein and T.J. Byres</td>
<td></td>
<td></td>
<td>capitalist farmer</td>
<td></td>
</tr>
<tr>
<td>Jens Lerche</td>
<td></td>
<td></td>
<td>big capitalist farmer</td>
<td></td>
</tr>
<tr>
<td>Kalecki, M. Khan and Barbara Harriss White</td>
<td>intermediary class/Petty bourgeoisie</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**1.5 Class and state relations**

After the discussion on agrarian classes, it is imperative to engage with class and state relations. After a brief discussion on how and why class impacts policy decisions, class analysis drawn from different scholars’ works is presented in the section. Mitra (1977) analyses the relation between the economic and state both theoretically and empirically, a rare combination. He meticulously traces the roots of policy decisions to specific class interests inferring a kind of class conflict among landlords and industrial bourgeoisie. How social class power manifests itself is explained by him, ‘those who aim at power do so… to shift the distribution of assets and incomes in society in favour of those groups who support them’, as in the alliance between those
in power and those backing them such that both can reap mutual advantage. So resource, as in means of production and accumulation are at the core of political power. Such a framework has been rare in both Politics and Economics since then although Political Settlement writers makes a similar claim when explaining stability of a democracy. Following Bardhan and Mitra, an investigation of the dominant classes influencing agricultural and industrial policy, and how their interests are protected and furthered through policies shall be attempted in the thesis.

Bardhan (1984) identified three classes which are playing most determinant roles in the Indian society and uses them as tools to explain the ground reality. These are the industrial capitalist class, the rich farmers and the public-sector professionals. Although they, taken together, form the ruling class, they have severe disagreement between themselves in terms of their specific class interests and thus do not form a ‘monolithic class enemy’. In fact, they pressure the state such that it cannot take decisive economic decisions for better growth. Rather, the soft state in mediating these powerful groups falls behind in economic performance. The professionals, i.e. the third class side with the urban industrial class while the big farmers stand antagonistic to these two. Bardhan points out how a Jat Prime Minister in 80s improved the terms of trade of agriculture by increasing government procurement prices for farmers from Rs.100 to 240 in one decade. This left the industrial class unhappy. Similar discrimination is implicit in the exclusion of agricultural income from taxation. This has only increased the already existing tension between these two classes, pulling the state in two directions.

Scholars have perceived industrialists as interest group rather than as a class in action, leaving out their means of production and accumulation. Stanley Kochanek (1974, 1995) has written about the industrialist’s role in Indian politics. Business groups over time have designed structures for ‘interest articulation’, like Chambers of Commerce, trade and industrial associations, employers association etc. Traders and small-scale businessmen use more informal channels, like the industrial embassy in Delhi, often employing highly personalised system of liaison and lobbying. Originally, three chambers were formed in Calcutta, Madras, and Bombay, dominated by regional communities which moved from trade to industry, namely Marwaris, Gujaratis, Parsis and Chettiars. For the initial three decades, major cleavages within the business community were based on caste, region and family which changed later (1974, p.97). Damodaran (2008) in his recent study traces the source of capital invested in different Indian states and studies the dynamics within communities who were instrumental in them. The companies he investigates are Rs 1000 million companies. This covers the most reputed business communities-Naidus, Reddys,
Marwaris and Patidars. He observes a transfer of surplus from agriculture to industry but communities differ in how they relate to agriculture after this shift (Damodaran 2008, Rutten 1995). Damodaran draws our attention to the link between accumulation in the two main sectors of Indian economy-agriculture and industry and reflects on the role of community in capital accumulation. This according to Damodaran is significant as it separates Indian reality from western capitalism which thrives on abstract individualism.

However, a new cleavage has dominated since the 80s—that between foreign and indigenous capital. The three prominent associations representing the private sector, viz, Federation of Indian Chambers of Commerce and Industry (FICCI), the Associated Chambers of Commerce and Industry (Assocham) and the Confederation of Indian Industry (CII) represent this cleavage (Kochanek 1995). While FICCI is largest in membership, its composition is of older, more indigenous and family-owned businesses. Assocham is the oldest and now represents both large family-owned indigenous business and foreign multinationals. The CII is the newest and richest apex association and tends to represent the new entrants like electronics, software and computer technology and it played a pivotal role in pushing the reforms in 1991. The class nature of these groups is Bardhan’s industrial class. Classifying within the class, FICCI and Assocham represent national capital/bourgeoisie more, which is protectionist, eager to capture national market, earn public infrastructure support and control the surplus. CII, on the other hand is pro foreign capital; it actively lobbied for reform of the Foreign Exchange Regulation Act (FERA) and it was so influential that the revenue secretary of the Government of India called the 1993-94 budget the ‘Tarun Das Budget’, named after the then head of CII (Kochanek 1996, p.167). Amin (2005), in a similar vein links the 1991 reforms to ‘an offensive by obscurantist forces supported by the dominant comprador class and a large proportion of the middle classes’ which challenged state legitimacy.

Bardhan’s (1984) class analysis is well founded, but contrary to his predictions, in the ‘90s India came out of the economic doldrums and experienced a long period of rapid growth. Also, his analysis does not address the class’ means of production, nor does it concern with identifying the nodal points through which the classes influence the state. In this gap, John Harriss’ (1999) work fits perfectly. He unfurls the class/estate basis of the regimes\(^\text{13}\) (political system, at both central

\(^\text{13}\) In comparative politics, the concept of a political regime refers to the formal and informal structure and nature of political power in a country, including the method of determining office holders and the relations between the office holders and the society at large (Siaroff 2011).
and state level) to understand ‘balance of power’. He argues that when taken together, caste and class can bridge the gap between objective and subjective identities and positions, i.e. a group’s role within the production system (class) and the way a group experiences its identity (caste). For instance, a landlord or a big farmer often earns people’s obedience through his upper caste status, which furthers the former’s surplus-extracting interest.

Harriss classifies agrarian society into three social groups combining class and caste: the locally most dominant class of landlords or big farmers comprises upper castes—the Brahmans, Kshatriyas and Vaishyas. Middle peasants (kisans) dominate by way of their control over land and labour, which form the basis of local political power. They often belong to middle castes like Jats, Yadavs, Kurmis in the north and Kurmis in Maharashtra. The lower castes, constitutionally termed the SCs, are composed of marginal farmers, sharecroppers, landless labourers, barbers, carpenters, blacksmiths. Though significant in proportion of the population, in terms of mobilisation and organisation, they are the weakest and thus enter, if at all, the political spectrum at the bottom. Their role in impacting political institutions is limited, so they are the passive receivers of policies noted by Harriss (1999). Srivastava (1999), Paul Brass (1994) show that dominant class need not be the upper caste only, and hence using class is a better tool to understand agrarian structures than caste.

On a schematic classification level this could possibly serve a starting point, but it analytically falls short. It runs counter to the position that the essential core and driving force of groups would be their class interest, even when this may be masked by caste identity. So Harriss’ perspective is not the point of entry since it does not fit with the wider approach taken here. Secondly, Harriss does not enter the intricacies of fractions within a class, like big farmers, capitalist farmers, gentleman farmers etc. which has been pointed out as an important component to follow and develop in the thesis. Thirdly, one should not be so naïve as to think that in all cases, the dominant class would also be the upper caste, though an overlap has been commonly observed.

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14 The idea of dominant class has been used by other scholars to understand Indian socio-political and economic life-like Paul Brass (1994), Lerche (1999), Stern (2001), Lieten (1996); A.Gupta (1998) and Lieten and Srivastava (1999). Note almost all instances are from north India.
The Green Revolution has changed group positions; for instance, other backward classes (OBCs) coming from middle peasants have gained economically becoming surplus producing farmers and now often command the position of a ‘dominant class’ in states like Bihar and Uttar Pradesh (Srivastava 1999, Lerche 1999). Politically, they have found representation in regional parties like Samajwadi Party (Uttar Pradesh) and Rashtriya Janata Dal (Bihar) and are dominated by Yadavs, a caste group (Stern 2001). The rise of dominant classes is an ongoing process both in relation to economy and in relation to the state. The study will seek to investigate the same in the new context of neo-liberal reforms. It is possible that other states have experienced similar change. Cases would be followed in the three states to identify the changing interest of key classes in each state, particularly in context of new opportunities created by opening of market in neo-liberal era and how these class interests are articulated in political realm.

A policy which has facilitated class consolidation in India is affirmative action/reservation as known in India. Many scholars have written about this phenomenon under the label of a ‘creamy layer’ (a particular group gaining the benefit of a policy repeatedly), arising from OBCs (Chaudhury 2004, Vaid 2012). My speculation is reservation has selectively picked individuals from middle/lower castes, often with prior better economic means and absorbed them into dominant classes, due to surplus generation. In the process, the individuals get delineated from their caste identity and associate with the new class and its allies, the capitalist in this case.

1.6 Conclusion
With a political economy entry point, society thus will be seen as divided into social classes and the relation between and within these will be a core issue of investigation. But to understand how classes and fractions act in relation to the state, their impact on policy making process and policies’ impact on classes will be at the core of the study. Taking a lead from political settlement theorists, which class form part of stable coalitions with the state to ensure economic growth and political stability? The different kinds of channels used by classes such as patron-client relations, lobbying, organised farmer representation and relations between political parties and pressure groups will be examined.

15 The government of India has classified certain castes as socially and economically backward and termed them as other backward classes. The GoI provides 27 per cent reservation for these castes in public sector higher education and employment. Mandal Commission had a decisive role to play in gaining these benefits for the OBCs.
From the above discussion on literature, it can be inferred that the rural proprietary classes constitute of big farmers, capitalist farmers (regionally concentrated in north India) and landlords. They were politically influential in the ‘80s and gained economically. How these categories would be located on ground in the changed scenario of neo-liberal policies is a question. Have they lost out in the new era, or have they developed new means of accumulation and survived? It is possible that all the factions are still important, or may be some factions have consolidated while others have lost while others have transformed into a new class. Parallely, why there is lack of mobilisation among the most numerous class, the small farmers shall be a question posed.

Other classes under lens would be industrial capitalists like cotton mill owners, agro business owners, coal lifting companies, cement companies, software, IT. Their function as political ally to the state would be assessed and not accumulation and self perpetuation; merchant capital earning surplus from agriculture-related trade, moneylending and non agricultural trade in consumer durables etc.; petty bourgeoisie classified as old and new arising from rural classes will also be investigated to see whether new fractions are emerging within classes, which includes understanding middle farmers under neo-liberal regime. The endeavour is to shed some light on whether the three social classes of Bardhan are still critical to functioning of the state or have their interests and inter-relationship undergone a change? Hence an analysis of dominant classes of each state shall be undertaken to investigate who forms part of the ruling coalition, or political settlement. This would aid in evaluating the motive and tenets of state agricultural policy, the possible determinants and beneficiaries.

Attention would be paid to policies which have aided class consolidation; For instance, reservation policy has potential to influence class composition in society. The newly created elements of the dominant classes may in turn constitute a specific class fraction exerting influence on state policies. The present study intends to capture such two-way state-class processes but in the context of agricultural policy.
Chapter 2

Privatizing inputs of production: A case of careful choice of beneficiaries and losers

2.1 Introduction

Entering into a study of Indian class relations and their interaction with state policy mandates an overview of the Indian polity in the post liberalisation era. It took about 8 years for a stable government to consolidate power in the economic, social and political flux the country was undergoing in the ’90s. Kohli (2001) points out that between 1947 and 1990 India had 5 general elections, but in the decade of the 90s alone, five general elections were held. Following this, the BJP led National Democratic Alliance (NDA) held power for two terms (1998-2004). A common point put forth by political commentators is that in view of the agrarian distress across states, the lack of support of Indian rural votes proved to be NDA’s undoing. In this backdrop, United Progressive Alliance (UPA) with Congress at its helm came to power (Bose 2006, Birner, Gupta and Sharma 2011) in the 2004 general elections. The various regional parties which had mushroomed during the 70s and 80s came to play a determining role in the formation of governments at the Centre, be it in the BJP led NDA or Congress led UPA.

Until 2014, UPA held power at the centre while at regional levels, governments have changed hands in the meantime. The three states studied here have largely been under BJP rule since 2000. Since its formation in 2000 till date, Chhattisgarh has had BJP rule, Karnataka had Congress rule until 2004 and since then had BJP in power, while Gujarat had tumultuous time—with continuous entry and exit of different leaders and parties seldom completing a full term—until 2000. After 2001, BJP has held power consistently under Narendra Modi’s chief ministership.16

In spite of the changes in political power, the overall direction of the economic reform has been the same as posited by many, neo liberal reforms. In the 1990s, market forces came to play a greater role in all sectors of economy and the control of the State dwindled, including for agriculture. In 1995, the Indian government signed the GATT agreement binding itself to trade

16 Referred to as Modi hence forth.
17 General Agreement on Trade and Tariff.
liberalisation and pursuing privatization of inputs in agriculture. Now the Indian government was under greater obligations to adopt structural changes as stipulated by the Washington Consensus and open its borders for import. This important policy decision was taken at the national level, but paradoxically, the burden of implementation was largely left to the regional states since agriculture is a state subject. This was followed up by state specific policies. These new policies, analysed here through a political economy lens, are Land acquisition policy, agricultural credit policy and agricultural input policy like seed, fertilizers etc. These issues were covered under stand-alone initiatives by Chhattisgarh and Gujarat governments between 2004-2009 and then by an encompassing Agro-vision 2010 by both states, while Karnataka adopted two agricultural policies, one in 2006 and then in 2012 to foster the objectives.

2.2 Agricultural Policy before and after 1990s
The section discusses agricultural policies of India and classifies them into three phases-green revolution and the after 90s phase which is further divided into phase one (1997-2004) characterised by negative reforms and phase two (2004 onwards) characterised by positive reforms. The discussion on three phases is organised in a chronological order.

The interconnections between policy shift and consequent political-economy changes on the ground have roots in green revolution policy. The rich peasantry enjoyed political influence resulting in policies which affected a kind of class polarisation during the 70s and 80s (Bardhan 1984, Byres 1998, Rudolph and Rudolph 1987). The political power of the rich peasantry on the State in the 1970s transpired in these groups becoming a class-for-itself, strong enough to negotiate with the State by end of 1970s. This organisation and strength got a boost by tapping the opportunities created by Green Revolution. It can be inferred that by 1980s, a class of capitalist farmers had crystallised, adept to adopt new technologies while millions of farmers were not prepared to bear the cost of technology (Subbarao 1985, Rudolph and Rudolph 1987, Byres 1998).

The class was capable of bearing the cost of technology, for instance seeds and infrastructure. It is as true that evidence shows that a big chunk of the subsidies offered in the period was garnered by a small section of farmers (surplus generating) while others did not benefit much. The benefits of green revolution also disproportionately accrued to ‘prosperous states’ with access to water and irrigation like Punjab, Western Uttar Pradesh and within them better-off sections of farmers gained more than anyone else (Subbarao 1985, Rathore and Singh 2010).
Similarly, in terms of cropping pattern and research and development funds, crops grown in irrigated areas dominated (Pal 2008). A kind of class polarization seems to have set in within agrarian structures under impact of green revolution. In this structural context, economic reforms were to be introduced in agriculture.

The neo liberal new policy mandate was unique in its shift from state driven to market driven allocation and efficiency. But the emphasis on technology in agricultural policy was not new; the Green Revolution had aimed at efficient extraction of natural resources, maximisation of output and ‘food security, since the late 1960s. In that sense there was a continuity since objective one and two continued in the new phase. However, now, far greater stress was laid on growth and privatization with shift to cash crops from food crops. The Green Revolution also received institutional support from state enabling farmers to engage with its initiatives, like cheap credit, subsidised inputs etc which now policy makers wanted to devote to research and infrastructure.

Despite the GATT agreement, the expected policy change did not take immediate effect. Reforms were first implemented with respect to industry\(^1\). There was no specific economic reform package for agriculture. The presumption was that freeing agricultural trade would automatically lead to lucrative prices for farmers, resulting in higher investment (Ghosh 2005). Gulati and Sharma (1995) argue and justify the increasing need for a new policy promoting growth rather than subsidies in the beginning of the ‘90s. Subsidies have a specific life as they are needed in an initial phase of capitalist agricultural development, when farmers cannot afford inputs at market determined prices. Over time, as they avail of subsidies, they become capable both in terms of resource and knowledge, and are ready to compete with market forces which would allow higher profit. That said, the positive effect of the subsidies in question was limited to a few classes as argued earlier in the section.

The first phase was characterised by the State retracting from the sector. The overall changes in agricultural policy was to contract public investment and institutional support, in essence ‘negative’. To name a few, declining procurement prices, withdrawal of formal credit: the government from mid 90s went on to take back the support given to banks for providing rural credit and made stricter norms for loan recovery thereby discouraging credit to the less able,

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\(^1\) Private sector being de-licensed and MRTP restrictions removed. To promote growth, government granted tax concessions to business, and brought in regulations against strike, some efforts to discipline entrenched labour (Kohli 2009, pp.156-157).
withdrawal of seed subsidy, decreasing extension services (Ramchandran and Rawal 2010, Reddy and Mishra 2009).

Table Important Measures of Economic Liberalization in Indian Agriculture

<table>
<thead>
<tr>
<th>Area of Liberalization</th>
<th>Policy Changes and Measures of Implementation</th>
</tr>
</thead>
</table>
| I. External trade sector | • In tune with the WTO regime, since 1997 all Indian product lines placed in Generalised System of Preference (GSP)  
  • India is a part of the WTO intellectual property rights (IPR) regime relating to agricultural products including plant varieties (seeds) and Geographical Indications.  
  • In 1998, quantitative restrictions (QRs) for 470 agricultural products dismantled. In 1999, further 1400 agricultural products brought under Open General Licensing (OGL) and canalization of external trade in agricultural almost reversed.  
  • Average tariffs on agricultural imports reduced from 100 per cent in 1990 to 30 per cent in 1997.  
  • Though India in principle is against Minimum Common Access, but actually already importing 2 per cent of its food requirements.  
  • More liberalized imports of seeds. |
| II. Internal market liberalization | • Since 1991, 100 per cent foreign equity allowed in seed industry. Seed Policy passed in 2002.  
  • Gradual reduction of fertilizers subsidies since 1991  
  • Since 1997, power sector reforms were introduced  
  • Power changes to agriculture increased but there is resistance from state governments like Andhra Pradesh, which have introduced 'free power' to agriculture.  |
| 1. Seeds |  |
| 2. Fertilizers |  |
| 3. Power |  |
| 4. Irrigation |  |
### 5. Institutional credit

- Water rates increased in some states.
- Participatory water management was sought to be introduced through Water User's Associations (WUAs).
- States like Andhra Pradesh made new large irrigation projects conditional on 'stakeholder' contribution to part of investment but later government ignored this condition and increased public investment in irrigation.
- Khusro Committee and Narasimham Committee (1992) undermining the importance of targeted priority sector lending by the commercial banks. Targets for agricultural were allowed to be compromised.
- A number of bank branches in rural areas were closed.
- The objectives of Regional Rural Banks' (RRBs) priority lending to weaker sections in rural areas diluted since 1997 and RRBs are being restructured on commercial considerations

### III. Fiscal reforms

- Fiscal reforms with an emphasis on tax reduction and public expenditure tuned to reducing fiscal deficit as priority. (Grave implication for public investment in agriculture and rural infrastructure).


In addition the period has also witnessed a pro industry land policy in disguise of Special Economic Zones scheme, relaxing ceiling on acquisition of agricultural land in Gujarat and Karnataka and government’s little effort to correct illegal mining. These are integrally linked to agriculture as land is the key factor of production and thus political economy of these changes in policy and their effects have also been examined.
Reddy and Mishra (2009) characterise the period between mid-90s and 2004 as a phase of the reforms which exposed farmers to global price fluctuations and left them to face the vagaries of market. Harriss White (2002) argues that during the 90s, the structure of subsidies mostly remained intact be it on credit, agricultural co-operatives or inputs like fertilizer, electricity and irrigation. This is ascribed to resistance by the farmer lobby to reform throughout the first decade of liberalisation. Dubash (2007) agrees as he notes continuance of an interest group influence in the agricultural policy formulation. Hence the reforms could be incremental at best. Adopting a radical reform approach would potentially create political tensions, which were best averted. All said the reforms were adopted and India right after faced crashing of prices, uncertainty of returns for the farmers and farmer suicides.

A direct consequence of this policy transformation, in conjunction with other long term structural changes like land miniaturisation, was the agrarian crisis beginning in 1997, an extreme manifestation of which was the farmers suicides witnessed across India (Patnaik 2003).

About seven years later, I would argue the defeat of NDA in 2004 taught a forgotten lesson to the political leaders— neglect of the agrarian classes' interest can be dire in Indian politics. This is also meant that the new Congress led government at the Centre and new governments at states had to set a new agricultural reform agenda to accommodate rural voters. It was the beginning of ‘phase two’ of agricultural policy post liberalisation. The states under scrutiny adopted new policies since 2004 whose objective and nature are at centre of the study.

It is noticeable that in spite of all the reform initiatives, farm incomes have continued to enjoy tax exemption even after 1990. Fertilizer industry gets the third highest subsidy after food and oil and claims a big chunk of the agricultural budget19 (Mukundan 2013, Gulati and Sharma 1995, Birner Gupta and Sharma 2011). As opposed to the overall policy thrust of reducing subsidies, fertilizer subsidy registered an increase from Rs. 43.89 billion in 1990-91 to Rs. 758.49 billion in 2008-09. As a percentage of GDP, it is a significant increase from 0.85 per cent in 1990-91 to 1.52 per cent in 2008-09 (Sharma and Thaker 2009).

In the second phase, agricultural policy has been directing public investment to high value crops in the form of subsidies to technology, seeds, irrigation etc. in line with the philosophy of the

19 This includes those industries which supply feed stocks to fertilizer industry (e.g, ONGC, IOC, etc.).
Green Revolution where technology is seen as an alternative to labour (Singh and Rathore 2010). Public and private partnerships were forged in the new millennium in agriculture to realise the growth agenda. For example, Manjit Singh (2012) observes that after 2000, policy makers specifically stressed on mechanisation and direct-seeded rice to save on labour cost and protect employers in Punjab (big and capitalist farmers) from labour problems. Such policy is resulting in loss of livelihood for small farmers as evidenced in the local dalit population’s growing involvement in non-farm vocations.

As already stated, it is roughly the years when United Progressive Alliance assumed power in the centre, BJP came at the helm of all three states under scrutiny when phase two policies were adopted. It is likely that there are international, all India and state specific trends at play here, but given the focus of this study, we can only interrogate the regional state level aspects but this will be done in a manner that acknowledges the more general trends as well, within the three states. What political settlement brought about such a change and how did this shape the political-economy of these states? It has been commonly argued that neo-liberalism is built on perpetuation of capital but how this agenda manifests in the particular case of these states is examined? Does the regional state have a role or is it subservient to market forces which drive the change uniformly? These are some of the main questions studied in this dissertation.

It is in this light, that the following literature review is undertaken. The next sections of the chapter aims to develop an all India picture, with special attention to the three field states. Some details are given in the respective field chapters to compare more easily with field findings. The different sections of this chapter are developed highlighting the details of policy and its effect on access to different inputs-land, credit seed, fertilizer, water-as necessitated by agricultural production, enumerated by the supply-side policy\(^{20}\). The attempt is to develop a nuanced understanding of agrarian political economy by identifying the beneficiaries of new policies and its effect on existing social structures. A simultaneous question posed is why would the state further the interest of few classes at the cost of the others? Arguably an explanation could be the political settlement operating in each state relating it to the classes and factions which constitute the settlement.

\(^{20}\) Both in terms of time spent with each interviewee, the need to cover three states, the distance travelled to meet the interviewees operated as constraints. Also for many interviews, in a two-hours long interview, first 15/20 minutes would be spent talking about what I am doing in general, to build a rapport. As a result I was left with an hour or in many cases, half an hour to ask questions. This made it essential to ask focused pointed questions. So I maintained focus on production side and the factors of production.
2.3 Scope of the chapter
Farming begins from land, which means either owned land, lease or share-cropping, and on that land, either hire labour or self-cultivate. In the present globalised world, the farmer is not a self-sufficient entity anymore. Rather, agriculture both begins and ends with the market, and transnational players exert a pivotal influence. Apart from the actual cultivation of crops, retail, procurement of various inputs like land, credit, seeds, irrigation, global supply chains, trade relations, market prices, storage etc. constitute agriculture today (Bernstein 2010).

Contact with market has different nodal points. Starting from land, if land is not owned, the lease between landowner and tenant is fixed by supply-demand mechanism as much as social network and caste-class positions. Credit is integral as farmers in lean season borrow for consumption needs and in cropping season, to cover cost of cultivation like buying seeds, fertilizers and pesticides. Other inputs include tractors, water pumps and, in some parts of India, gigantic harvesting machines. Harvest is the last stage in cultivation. The next stage in agriculture is selling the crops. This entails interaction with small traders, big traders, Agricultural Produce Marketing Cooperative (APMC) actors, and merchants. Farmers may not be involved in storage and in bringing the crops to urban markets directly, as this is often mediated by traders. But for cash crops, post-harvesting could also mean dealing with sugar mill and rice mill owners. Borrowing from these various processes that agriculture entails, let us now take a look at the policies involved with different inputs of production.

Agriculture is a ‘state subject’ in India but aspects like fertilizer and irrigation policies and investments are decided by Union government. Similarly, issues in agriculture are often industrial issues as well, for instance fertilizer. Thus policies concerning these elements affect non-agrarian classes.

A conventional classification of agricultural policies would be supply-side and demand-side. The former entails pre-harvest activities (like production) while the latter deals with post-harvest activities (like sale and storage). The thesis concentrates on the supply-side policies. While demand-side policies are equally important, the analysis of such policies are in their infancy and
to deal with them properly would be a separate extensive research in it itself\textsuperscript{21}. That said, in the empirical section, demand-side issues raised by informants have been included.

Agricultural policies since the 1990s show variation from 1994\textsuperscript{22} and 2002 and between 2003-04 and 2012-13 (Ramakumar 2014). It is essential to focus on the details of the most recent period in Indian agriculture before understanding its effect on social structures.

2.4 The beneficiaries of new policy regime
In the previous chapter, we have looked at the dominant classes and their relation to the state (national and regional), from a statist position, a political economy tradition and political settlement tradition. In these sections, the different classes who have benefitted from the post 1990s policies and related informal operations revolving around different factors of production like land and credit, and privatization of chemical inputs, are discussed.

2.4.1 Dominant classes and their changing equation
We take Bardhan (1984) as a historical starting point. At a national level, he identifies key proprietary classes who bargain with the state and among themselves to meet their interests and thus are termed as ‘dominant classes’ or dominant coalition. Though different groups like labour and lower castes have come to the fore pitching their interest against one another\textsuperscript{23}, the centre-stage is occupied by three classes: rich farmers, industrial class and the bureaucracy. The rich farmers are not subsumed into the capitalist class, or ‘subsumed in giant capitalist agro-business enterprises’ (Ibid, p.215). He lists the subsidies and patronage that rich farmers enjoy from the State\textsuperscript{24}, especially the regional states, and how cooperative credit and power have been monopolized by them.

The big farmers formed a critical force in pressure politics, ‘log-rolling’ with other groups (Bardhan 1984). The beginning in this phase of India’s history was with Indian farmers’ Association, followed by mainly state-specific movements such as Bharatiya Kisan Sangh (BKS) in Gujarat, Bharatiya Kisan Union (BKU) in Uttar Pradesh, Shetkari Sanghatana (Maharashtra), Karnataka Rajya Raitha Sangha (KRRS), Tamilaga Vyasa seva Vigal Sanghan (Tamil Nadu) and others. Brass (1994) argues that they represented those who produce agricultural products for the

\textsuperscript{21} See Harriss-White (1996 and 2008) and Janakarajan and Harriss-White (2012) for some of the best analyses of aspects of demand side policies.

\textsuperscript{22} When WTO agreement was signed.

\textsuperscript{23} Yogendra Yadav (1999) terms it the second wave of democratisation.

\textsuperscript{24} State for Levien (2011) is the regional state but for Bardhan it is the national state.
market, or in other words, surplus-generating farmers. Towards the end of the 1980s, the movement weakened on cultural and communal fissures and primarily split into two lobbies. The section headed by Maharashtra came to see liberalisation as a boon, getting its primary support from Gujarat’s Khedut Samaj and Punjab BKU. The other section was led by KRRS, whose leader Narayanswami Naidu saw liberalisation in agriculture as a part of the neo-colonial project, enslaving the Indian farmers and organized protests against World Trade organisation.

Scholars like Brass (1994), Jeffrey (2002) have argued that the farmers’ movement and protests are the big-farmer lobby’s techniques of pressuring the state. Protest is more a display than actual dissent, since the same class enjoyed state patronage. For instance, those farmers who have been the fore-runners of farmer protest in Uttar Pradesh were found tapping government resources through state bureaucracy, particularly police officials (Ibid).

The other key actors, bureaucracy has been seen as demanding different things from the state like protection and rent which stand on the way of demands pressed by the industrial class. Since the 90s, the latter has advocated wider control of market with a minimalist state and for the bureaucracy which feeds upon state resources, this should run counter to their interests as per Bardhan’s (1984) characterization of the Indian State. The particular significance of the work lies in absence of a similar work since Bardhan. Those who have undertaken anything close like Atul Kohli, Barbara Harriss White or V.K. Ramchandran have commonly attempted detailed discussion of any one class rather than class analysis of India.

However, in the post-liberalisation phase, scholars found evidence contrary to this as the bureaucracy acted as a fore-runner in adopting privatization measures (Jenkins 1999, Das 2005, Kohli 2006, Levien 2012, Corbridge, Harriss and Jeffrey 2013). At a pan-Indian level, Das (2005) pins down the Indian bureaucracy, viz, IAS, as a chief support lobby for the reforms. He traces this support base back to the 1980s and it included a focus on a shift in industrial policy. The bureaucracy saw a new challenging environment to prove themselves, as well as new employment opportunities and sources of rent collection through export, land deals etc.

These opportunities have come alive in the recent decade. The private sector agenda of accessing land is supported by the state’s role in ‘carrying out the disposessions’ as ascribed by Levien (2012). The bureaucracy, he argues, does not have a distinct interest from the capitalist class. In fact a ‘joint venture’ prevails such that the government acts as a business partner with private
developers (p.462). Barbara Harriss-White (2008) argues that state regulation enables rents to be reaped by the larger farms, or even enforcing it. State officials make money by using discretionary powers to sell limited public assets and extort money from firms that are legally not allowed to trade. Regulation helps in rent gathering by a handful\textsuperscript{25}. Farmer lobbies now function to garner government support like subsidies or favourable policies which help them accumulate. Such transformations of accumulation by dispossession (ABD)\textsuperscript{26} would have been impossible without the policy intervention of the state (Levien 2012). With the exception of Levien, Harriss-White, Pattenden, Jeffrey and Lerche who mostly present evidence of local state operations, few studies reflect on how different dominant classes are gravitating towards one another in post-liberalisation era. This is an area which merits further enquiry, at the regional level, to fulfil the objective of identifying the dominant classes, their sources of accumulation, their political interests and exploring the possibility of an operating coalition of/between such classes.

\textbf{2.4.2 Rural class diversification}

The neo-liberal era has unleashed new market forces and arguably, shrunk the role of state. This is expected to alter class positions and interest through alteration in distribution of the means of production. Rural class differentiation may be divided into two aspects: class differentiation within agriculture, and class differentiation relating to economic activities outside of agriculture. There are, of course, classes who are benefitting from both these aspects and which have been presented in this section.

The development of rural class relations are usefully seen in relation to a) the Green Revolution from the late 1960s onwards and b) neo-liberal policies from 1991 onwards. It is well-known that the Green Revolution led to an increased growth in agriculture while during the neo-liberal years, agricultural growth stagnated from the late 1990s until 2003/04, with serious economic implications for at least the poorer farmers (see, for example, Ramchandran 2011 and Lerche 2013).

Regarding class differentiation within agriculture, Byres’ (1981) seminal analysis of class impact of the Green Revolution upheld that the new chemical inputs maybe scale-neutral but not

\textsuperscript{25} Barbara Harriss-White defines rent as ‘when a specified area is demarcated for sale of products (like APMC), then it brings buyers and sellers together which leads to competitive pricing. In case of evasion, this becomes a source of rent seeking (p.260).

\textsuperscript{26} The concept has been written extensively on by David Harvey (2009) where he characterises the new imperialism, the one the world is experiencing since 1970s by over accumulation. What underlies the process is ABD. It is an adaptation of Marxist notion of primitive accumulation.
resource-neutral. Given the need for high investment, an emerging class of capitalist farmers reaps the benefit of such technology while the rest are pushed further down for lack of access and capability. This is a phenomenon Cleaver (1972) called ‘building on the best’ thus excluding the majority from the benefit of the technology. Some have termed it a ‘lumpy technology’ where use of complementary inputs like water, seed, fertilizer is non-divisible (Despande et al. 2004, Byres 1981, Cleaver 1972). Hence access to all inputs was imperative to adopt the technology, making it particularly expensive. Two things from the 80s affect the Indian agriculture in recent era. First, the structural inequality was deepened under the green revolution on which new policies were applied. Second, the emphasis on growth through a lumpy technology is a similarity across pre and after 90s agricultural policy. Such an emphasis caters to the resource rich farmers likewise to green revolution period. These points will be developed in greater detail in subsequent sections.

The impact of neo-liberal agrarian policies on class differentiation is disputed. Some, such as Patnaik (2006), argues that all farmers are losing out. Others show that class differentiation within agriculture has continued to increase. Most notably among the latter are the studies carried out by the foundation for agrarian studies (FAS) (Ramchandran, Rawal and Swaminathan 2010). However, in a nuanced analysis Ramachandran (2011) looks at land-size data, expenditure data etc. from the neo-liberal phase and concludes that such macro-economic data cannot be used to identify class differentiation within agriculture, nor can it support the view that class-differentiation has ceased to exist. That said, NSSO data shows that the proportion of population working in agriculture is falling more rapidly now, than it used to do before the 1990s, which could well be a sign of peasant class-differentiation with few classes accumulating from non-agricultural sources.

Another crucial point as put forth by scholars is rural class differentiation cannot focus on agriculture alone, let alone on just cultivation (Lerche 2013, Pattenden 2005, Rakshit 2011 and Harriss-White 2008). Harris-White (2008) argues that agro-commercial capital in West Bengal has not been a passive receiver of the impacts of either political regulation or liberalisation, but is an active shaper of both (p.13). Post-1990s, there was a wave of deregulations and decentralisation of controls, but the commercial elites held on to both power and profit in this new environment by developing newer networks, such that ‘the prevalent informal process of
rent-seeking was hardly touched” (p.259). Dixit (2012) points at the same direction in context of Gujarat stating that growth in past decades has led to the concentration of surplus among few resulting in fall of calorific availability to many and adding to existing poverty. Stagnant food consumption which is an indication of mal-nutrition and harder living conditions are observed. Levien (2011) shows that rural elites gain from land acquisition in Rajasthan. From different regions in India, new sources of accumulation have been noted (Harris-White 2008, Rakshit 2011, Pattenden 2011, Dasgupta 2013).

Challenging the view that agrarian accumulation is increasing for big and capitalist farmers, Harriss-White (2008) illustrates through West Bengal case studies that big farmers are accumulating more from non-agrarian sources and thus, their concern about agriculture has reduced considerably. She raises a definitional question, whether it is appropriate to use the term ‘big farmer’ to describe such a class. In the context of Vinayagapuram, Harriss-White (2004) elaborates about a family who are primarily into money-lending. During the last decade their surplus has assumed such proportions that they employ ‘agents’ to extract interest and capital from borrowers. In addition there are pawn-brokers and silk merchants who offer pre-harvest loans (ibid). NCEUS (2003) report notes that 50 per cent of income for people in agriculture is non-agrarian. Dixit (2008) agrees on the latter. From field findings she affirms that education and non-farm asset also act as sources of income supporting the non-agricultural interest of agricultural classes. A feature of her sample villages is economic diversification indicating new sources of income (Dixit 2008 cited in 2012). Therefore, understanding the different sources of income that a big farmer has, and how it has been affected particularly since 2000 will be a question pursued in field study.

Pattenden (2011) finds the gate-keepers accumulating through cornering state resources and non-agrarian sources of income in Karnataka. Gate keeping here stands for obstructing the flow of state resources to the marginalised thus accumulation by the dominant class. It results in unequal access to political power. Market is the obvious source of accumulation Early signs of diversification of big farmers towards agro-processing, real estate and trade was observed in the 1980s (Nair 1996). Damodaran (2008) observes the trend gaining momentum in the 90s with

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27 Rent seeking in air is an expression of an income enjoyed by a class by the sheer ownership of resources like land, capital in form of machinery, without indulging in productive process which generates a profit. Mushtaq Khan (2004) however uses the term “rent” to refer to income generated from corruption and co-option of public resources.

28 A village in Tamil Nadu where she has conducted field survey for decades.
Andhra big farmers (Kammas and Reddys) investing in other sectors and in other states, rendering them to a significant position in Karnataka economy.

In subsequent section 2.5, it will be asserted that the number of seed dealers have multiplied under the privatization regime with many of them belonging to big and capitalist farmer families. As pointed out by Barbara Harris-White (2004) in the context of Tamil Nadu, money-lenders are entering the input market, giving loans or even opening shops. Green Revolution may have increased polarisation in some parts of India, in neo-liberal era, the move into non-cultivation business has increased this polarisation further. Continued commercialisation and neo-liberal policies, such as the retreat of the state from agricultural credit, has reinforced polarisation and has, for example, (re)instated money-lenders who can now dominate new spheres of the rural economy (NCEUS 2008). Thus, within the rural economy, it does appear that the dominant rural classes\textsuperscript{29} are making good use of the privatization policies.

Against this backdrop it is no surprise that Harris-White (2008) challenges Kohli (2006) who is of the view that the rentier landlords are at the losing end of liberalisation. She rather proposes that these classes have been losing interest in rural landed property due to new sources of income outside agriculture, a view that is seconded by Pattenden (2011). But the evidence is, still, regionally specific. There is a need to validate these observations in other regions, as much as to look for new trends not elicited already. Another question arises, given the tentative thesis that the class interests of these dominant rural classes\textsuperscript{30} have undergone a transformation: what interest do they represent in realm of politics? What it means for factors of production, viz, land and credit and privatization of inputs are discussed in detail in the succeeding sections, including how the state carries the interest of big farmers into realm of policies.

\textsuperscript{29} In chapter 1, we outlined Ramchandran et al. (2010) and Lerche's classifications of rural propriatey classes. To recapitulate, the distinct sense in which the two classes landlord and big farmers are referred to in the thesis are fromer is a rentier class which is urban bound whereas the latter is similar to landlord class to the extent of not pursuing self-cultivation but is different in generating surplus from other means like trade, input sale, money-lending, government jobs etc. and maintaining closer links to rural life. The third class which finds mention is capitalist farmers who are those who have taken up technology-intensive agriculture and generate huge profit from agriculture itself.
2.5 Land from the tillers
Land is ‘the mother of all issues’ amongst all the issues faced by farmers in India. There is severe inequality in sizes of holding and the government has failed to alter these structural differences. Generational redistribution has made the holding size even smaller. Small and marginal farmers constitute 84.97 per cent of landed people of India in 2010-11 (GoI 2012). In recent times, literature has focused on land grab and displacement of marginalised communities (Roy 2009, Fernandes 2014). Walter Fernandes (2014) estimates displaced population at 60 million who have lost land and livelihood since Independence, the majority of whom are tribals and SC (cited in Corbridge, Harris and Jeffrey 2013, p.206). This means the small farmers are situated at the supply end of the resource which has had the highest demand from different market forces over the past two decades. The question here is the political economy of land transfer, whose purpose it serves and how it affects agriculture. Since it is governed by laws, let us first outline the legal provisions and analyze how this has changed over the years.

Land is acquired by the government in India under the purview of the Act of 1894.\(^{31}\) As per the Act, land could be acquired for use of the government and its parastatal agencies. But the amendment in 1984 to Land Acquisition Act has relaxed this ownership ceiling such that government can acquire land for a purpose it deems as serving ‘public’ need. The Act falls under the ‘eminent domain’\(^{32}\) such that acquisition itself is not questionable\(^{33}\); issues of compensation and resettlement are debatable. Authors, therefore, note that governments are free to interpret ‘public purpose’ to cater to private and non-productive activity catering to interest of the capitalist class (Morriss and Pandey 2007, Levien 2012). Any private company wanting to buy land has to liaise with the government. What happens to the land, once acquired, lacks accountability. Levien (2012) draws attention to how land procured under SEZ provisions is used for real estate purposes\(^{34}\). Cases of acquiring more land than required by private actors have surfaced. Bureaucracy adds to its rent pool with each such acquisition (Levien 2012, Fernandes 2014). Further, the uncertainties in land titles, (like non-transfer to sons’ names on demise of the father) make compensation for farmers very difficult.

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\(^{31}\) This was the case in 2011 when fieldwork was conducted. Right after that the new land acquisition policy was introduced in 2012.

\(^{32}\) The power to take public property for public use.

\(^{33}\) The only exception is Jammu and Kashmir.

\(^{34}\) It is mandatory to use only 50 per cent of land acquired under SEZ act for industrial purposes. The rest can be used as the private companies deem fit.
Post-liberalisation, the demand for land due to both industrial and infrastructural purposes have seen a steady rise. By July 2009, 600 SEZs were approved across India, concentrated in Maharashtra, Andhra Pradesh, Tamil Nadu, Karnataka and Gujarat. Though the government has reiterated that prime agricultural land could not be taken over for this purpose, it is confirmed that it has repeatedly been the case, arousing protest and resistance from various quarters. As Levien interprets the process, ‘the SEZ developer is a state-appointed capitalist landlord who receives windfall returns by commodifying artificially cheap land expropriated from farmers’ (2012, p.963). Through a case study on Rajasthan, it points at the state-capitalist nexus.

Simultaneously there have been people’s struggles concerning land in different pockets of the country against insufficient compensation, use of coercion in acquiring land and no assurance of alternative livelihood despite displacement (Chadda 2012). Most projects are being delayed as a result. In response, the Union government drafted a new bill-Land Acquisition, Rehabilitation and Resettlement Bill (LARR Bill) in 2011 which was passed in 2012. According to the new bill compensation is applicable for cases of direct displacement only\textsuperscript{35}. In 2013 the upper house of the Parliament has passed the bill, causing great anxiety among industrial classes (TOI 2013). This change has been followed by states amending their respective land acquisition acts\textsuperscript{36}. The Act emphasizes on resettlement and compensation but does not alter the eminent domain treatment to land acquisition.

The specificities of the three states of Chhattisgarh, Gujarat and Karnataka in relation to land acquisition will be studied including issues relating to the political influence of different classes on government policy in empirical chapters.

Among the few who delve into the political economy of land acquisition, Sud (2007) has primarily based her work on Gujarat and political alignments around it. The class that assumes central position in Gujarat is upper-caste industrial bourgeoisie dominated by the Patidars\textsuperscript{37}. The bent of the state and its alliance with the industrial interests can be illustrated by the fact that the

\textsuperscript{35} Walter Fernandes (2014) highlights how those dependent on land for livelihood but not direct owners of land are adversely affected in such land acquisitions.

\textsuperscript{36} It is not a policy discussed in the study since it came to force after my fieldwork, towards the end of my doctoral study.

\textsuperscript{37} It is a caste which historically was middle peasantry. Post-independence, it has shown tremendous upward mobility, invested in different agro-industrial sectors and accumulated land, becoming the most important caste among big farmers.
prominent industrialists have assumed political positions Sud (2007) argues that the dominant class controls state apparatus, and illustrates this with land policy after 2000.

Sud’s field is Kheda district, where agricultural surplus along with trade surplus has accumulated over the years and been reinvested in trade and industry (Damodaran 2008). Traces of a capitalist farmer class, which has maintained ownership of land but has moved to urban centres and invested in industry can be found here. This surplus has not just been invested in other sectors, but continued to be invested in land itself (ibid).

The emerging entrepreneurial groups of the 1960s and 1970s who were then beginning to make the transition from agriculture to agro-industry, and plastics, chemicals, dye, pharmaceutical industry etc., and rural to urban living, had continued to base their social identity on their agriculturalist roots and on their agricultural land holdings. Gujarat saw a high rate of urbanisation from 25.7 per cent in the 1960s to 34.5 per cent by 1991. The nouveau riche entrepreneurial groups, different from Brahmin-Bania-Khoja mercantile groups came to occupy the urban spaces. In terms of number they had grown decisively and were set to take up non-agricultural occupations (Sud 2007, p.621). They wanted the right to use agricultural land to non-agricultural purposes. Despite a shift in their location and occupation, they did not want to give up their right on land. It is this class which came to dominate the state machinery sideling interests of other groups like the Bharwads. Bharwada and Mahajan (2006) point out that that despite deficit gochur land, the government is offering land to corporates and justifies it in the name of being an ‘investment-friendly state’.

The arising dominant mercantile-industrial classes did not see coalition of KHAM (Kshatriya, Harijan, Adivasi and Muslim) used by Congress to come to power in 1980s as favourable. Support for Dalits and Adivasis, many of whom are marginal farmers and wage-labourers made the dominant classes regard the Congress party as antagonistic. The shift from Congress to BJP in the state is related to the dominant class consolidating their support behind BJP (Sud 2007).

As for Karnataka, the state experienced winds of change when Deve Gowda assumed power in 1994 as the Chief Minister. He implemented relaxation of land ceiling, allowing sale of agricultural land for non-agricultural purposes. The path he advocated was for market and saw land ceiling as an obstacle in market functions and optimal utilization of factors of production. Consequently, he decided to relax land ceiling. This remained his stand even when he assumed
the position of Prime Minister. Alongside he declared the New Agricultural Policy of Karnataka. These revisions carried significant danger signals for the SMF, as Assadi (1995) speculated—though at that point of time, both policies were at a nascent stage. After a lapse of two decades, it is possible to examine what the policies have transpired to.

Two decades ago, Assadi (1995) had predicted that the proposed amendments to Land Reform Act, permitting conversion of agricultural land as non agricultural will take the state on a path of corporate landlordism, widening the gap between the rich and the poor. The amendment overrules the limit that those with income of less than Rs 0.2 million are only eligible to buy agricultural land. He argued it would lead to de-peasantisation adding to pool of labourers, with a simultaneous rise of 'gentleman farmers' (Assadi 1995). In Rajasthan, fifteen years later this prediction has become a living reality. Levien (2012) notes the flipside of land grab and concentrating land and natural resources in hands of industrial capitalist is creation of a class of labour who have been ‘freed\(^38\) from their means of production. Freedom here is used sarcastically, of course, and the loss is too grave for their individual sustenance (Levien 2012).

In addition, the Land Reforms Amendment makes exceptions to land alienation under Section 109. Nair (1996) speculates that these policy changes are to facilitate the free flow of capital. Thus, not only the urban and industrial capitalist stand to gain, but also the big farmers who took to agro-processing and trade since the 1980s.

The latest of the Karnataka government’s effort has been the announcement of ‘Integrated Agribusiness Development Policy’. In sections 20.3 to 20.5 of the policy, the tone is one of encouraging floriculture, horticulture and animal husbandry, and for these purposes, land acquisition would be facilitated by the government (GoK 2011).\(^39\) There is also mention of transfer of agricultural land for setting up agri-business units which has been the focus since the government signed pact with World Bank in 2001. Clearly, the state has geared itself into investing in technology and agri-business, noticing little on the issues of food security, marginal farmers’ falling real income, debt crisis and water crisis. The high value crops have a tacit promise of freeing land which can be diversified to non-agricultural purposes.

\(^{38}\) It is the same double meaning as Marx used it, free to become a wage labour, and deprived from other means to make a living.

These areas have paucity of secondary sources, particularly agrarian policy issues with regard to Chhattisgarh and hence, the discussion of the issues relating to the state will await the results of the field investigation.

### 2.6 Informalisation of credit
Credit intervenes with what a farmer can cultivate, how much, from where will he/she buy the seeds, and whether he can wait for prices to go up to sell his crop etc. Indian credit policy has entered its third phase in 1991, with the adoption of liberalisation. The distinguishing feature of this phase is a clear shift away from redistributive objectives, emphasising on making banks profitable. Among other things, interest rates were deregulated and branch licensing policy ensuring a minimum of rural bank branches were revoked (RBI 1991 quoted in Swaminathan 2012).

According to Rural Finance Access Survey (RFAS) 2003, 79 per cent of the rural households have no access to credit from a formal source. The problem of access is even more severe for poorer households in rural areas. Indeed, bank branches in rural areas appear to serve primarily the needs of richer borrowers: 44 per cent of large farmers have access to credit while 87 per cent of marginal farmers have no access to credit from a formal source (Basu 2005, p.409). A similar picture has been drawn by the NCEUS report (2005) which states that marginal farmers have the poorest access to formal sources of credit, a significant part of whom are drawn from SCs and STs. A limitation in this study is that the data it uses ends in 2003 and hence cannot comment on the last ten years.

The new policy has altered share amongst different institutions. Cooperative societies have become secondary in providing credit to agriculture, and commercial banks have gained a higher share (Golait 2007, Singh and Sagar 2004). This phenomenon may be attributed to the banks taking to the market-oriented approach. Hence they have minimised their dealing with small farmers and concentrated on big farmers, who are more capable of offering collaterals and repayment (Golait 2007, p.93, NCEUS 2005, Singh and Sagar 2004, and Sen 2005, Swaminathan 2012). This is of particular interest to this research since cooperatives fall in the state list and its formation, registration and functioning are linked to the state laws.

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40 Under Narasimham committee recommendations.
With cooperative societies, case studies show that the control is in the hands of the village elite. Pattenden (2011) gives a vivid account of the intertwining of political and socio-economic power in the state of Karnataka, which entails both caste and class dynamics. Drawing from his fieldwork, he refers to the dominant class as gatekeepers⁴¹ who otherwise are denoted as political entrepreneurs⁴². Due to reservation policies providing access to (local) government office, lower-caste farmers might be able to garner similar advantage (Rajshekhar, Babu and Majula 2011). The authors show these actors actively direct state resources in their favour, creating a skewed distribution of public resources. Others have hinted at a similar concentration of resources by privileged classes (Singh and Sagar 2004). In the neighbouring state of Andhra Pradesh, similar observation is made in field studies conducted post-2004 (Rawal, Ramachadran and Swaminathan 2010). The income hence generated from gatekeeping activities, consolidates the proprietary class and brings new individuals within the fold of the class.

The millennium study (2004) indicated, unsurprisingly, at an all-India level, higher rates of interest charged by informal sources. A segregation can be found, big farmers from formal sources and small farmers from informal sources. It enables the former to invest in new high-investment ventures, like horticulture. For instance, in Warwat Khanderao, one of the sites of investigation, landlords were found with an average outstanding debt 77 times that of a manual worker household. The variance across caste and class is not only in terms of amount of loan, but also in terms of the rate of interest charged which case studies show is 36 to 60 per cent (Swaminathan 2012, Assadi 1995). The other reason for borrowing from informal sources is that borrowing from formal sources involve paying a bribe (transaction cost) to government officials which makes it unaffordable (RFAS 2003, Basu 2005 and Golait 2007). Access to credit transforms into better technology, irrigation facility, marketed inputs, and to higher yield, particularly relevant post-2000 since agriculture has become more private input-intensive in nature (Reddy and Mishra 2009).

Breman (1993) notes that in south Gujarat, onset of capitalist agriculture has altered the old arrangements between labourers and employer-farmers⁴³. The relations have become more

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⁴¹ ‘Gatekeepers act as intermediaries between villagers and state officials, merchants etc. in interactions which may benefit one or both parties. Such interactions—securing votes, distributing government resources, accessing a police officer etc.—are often informal and involve a fee for the gatekeeper’ (Pattenden 2005, p.15).


⁴³ It is to imply those farmers, mainly big and middle farmers, who do not cultivate themselves.
business–like, a process he terms as ‘depatronisation’. Similar observation is made but in the context of Uttar Pradesh by others (Lerche 1999, Mehrotra 2012). Weakening of social ties and a capitalist ethic pervading relations in agrarian economy, with receding of government subsidies of production inputs has adversely affected wage-labourers, as seen in north India in the 1990s (Jodhka 1995). Since 2005 with wages going up as NSSO states, it has marginally improved things for labourers (Srivastava 2012).

In an attempt to understand the politics behind this shift in credit policy, Bagchi (2005) offers a plausible explanation. In his article, he argues that financial liberalisation in post-1990s has created more sources of credit for the rich and this is linked to the state having close association with what he terms the ‘plutocracy’. Ramachandran (2010) infers from credit policy among other aspects of agricultural policy, that an alliance between the bourgeoisie and landlords is dominating the Indian state. This has pushed small farmers to informal sources like landlords, relatives and traders. Adding to this is the long-acknowledged tie-ins between farmers taking out loans from their trader and thus being tied to sell to him at a fixed price. Introduction of forward markets and speculation have further infringed on their rights to negotiate prices of their crops (Ali Jan and Harris-White 2012). The high off-season prices are benefitting traders while farmers get the low prices available when supply exceeds demand (Ramchandran 2005).

Shawn Cole (2009) finds evidence of political lending cycles in India. Moreover, credit is targeted toward districts in which the majority party just won or lost the election. This targeting is observed only in election years. Finally, a separate pattern of targeting is observed for loan write-offs than for lending. Write-offs are greatest in the districts in which the winning party enjoyed the most electoral success. Therefore, credit here is used for distributing patronage to the loyalists or to buy loyalty by the political leaders and cannot be implemented without the skilful assistance of bureaucracy.

The retreat of the public sector post-1990s created a vacuum, a solution for which has been sought in micro-credit (Ramchandran 2005 p. xxxi). It has been argued that a reason behind this is to cut the cost of the banks and effectiveness of NGOs at retrieval of loans. But micro-credit has increasingly proved to be profit–oriented and failed to reach target groups. In addition the interest rates charged have been as high as 20 per cent failing the purpose of targeting lower-income groups (Chavan 2011). Taylor (2012) found contrary to expectation, micro credit has
pushed farmers further into debt traps. He cites instances where farmers have used new loans to even pay back their old loans.

Regionally, farmers’ indebtedness was low in less-developed states and high in agriculturally-developed states, with Karnataka, Maharashtra and Andhra Pradesh taking the lead (ESCAP Report, Nagaraj 2008).

### 2.7 Inputs

This section deals with chemical inputs in agricultural production, seed, pesticide and fertilizer. Post-liberal phase in agriculture saw poor growth rates—2.1 per cent between 1996-97 to 2002-03—owing to state withdrawal of subsidies on irrigation, fertilizer, credit etc. (Ramakumar 2014, Mishra and Reddy 2009). It can be aptly classified as negative intervention of the state. In 2000, the New Agricultural Policy (NAP) was declared. A defining feature of NAP as the Indian government spells it out is efficiency and growth above 4 per cent. To achieve the same, it advocates use of chemical inputs. Thus the NAP post-2001 has been characterized as ‘input centric’ (Rathore and Singh 2010). The other feature is the focus on high-value crops which can be exported as supported through the National Horticultural Mission. The nature of these policies is positive, taking steps to push growth. The thrust is on chemical inputs to increase productivity since land is scarce. What its impact assessment is crucial to understand its political economy.

The argument put forth in the section is that post-liberalisation era policies can be delineated into two phases. The first phase was marked by state withdrawal but in the second phase state has partnered the private companies by directing subsidy on hybrid seeds, fertilizers, private research, high-end machinery, and high-value crops which have given power to the big and capitalist farmers who are capable of adopting such technology and thus contribute to high growth. Subsequently the state governments declared their respective agricultural policies in mid-2000 with a similar strategy. While public investment in surface irrigation has fallen, private irrigation has risen in the phase in form of ground irrigation with the help of state subsidies (Ramakumar 2014, Reddy and Mishra 2009); state governments have proactively invited private players, both Indian companies and giant corporations like Dupont, Cargill and Monsanto, into the domain of inputs to foster speedy growth in the sector; for instance, the seed policy of 2004 which fosters greater privatization.
A significant difference exists between the Green Revolution period and the neo-liberal policies, most fundamentally perhaps that the post-reform period is driven by the private sector while Green Revolution was under the direct control of public sector. However, the basic agrarian political economy analytical questions remain the same: how new policies have influenced and shaped rural classes? Who has and has not benefitted and why?

When we talk of ‘inputs’ there is a wide variation among scholars as to what constitutes inputs for agriculture. Singh and Rathore (2010) list fertilizer and pesticide as inputs, Gulati has a longer list including irrigation, water and electricity. Tushaar Shah et al. (2003) would agree that water and electricity have come to occupy a central platform while Shetty (2004) keeps pesticides in focus. But to develop a comprehensive picture of what have been the changes in rural India, each of the factors matters. Thus, we will discuss the literature on seed, fertilizer, pesticide and water.

Many scholars who write in this area take a technical or scientific perspective. But a new input also has social and political ramifications. Take, for example, Bt Cotton, where the well-off farmers with sources of irrigation adopted the new seeds much ahead of others, and thus had leverage over the rest in capturing markets (Glover 2010). As experienced during the Green Revolution, the resource bias also caused some farmers to gain much more than others. These farmers had access to irrigation, better credit, literacy and often larger land-holdings. Access to all these inputs is crucial in adopting the new Bt technology. As Duvick (2001) points out introduction of new technology can transform agrarian structures; he observed this for maize production systems in North America. Advent of hybrid maize resulted in extensive restructuring of agrarian relations as small family farms were pushed to the wall; few farmers succeeded while others faced severe hardship (cited in Glover). In Byres’ (1981) words ‘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’ (p.416). The importance of introducing chemical inputs in Indian agriculture will be seen from this particular position.

Water as an issue is pressing in agriculture but was found to be particular to each state, and hence a discussion on the issue has been undertaken within each empirical chapter to compare to field findings. Since the literature was too wide and varied it has been not taken up in this

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44 Between 1980/81 and 1995/96 agricultural growth rate for India was 3.3 per cent with effective reduction in poverty.
chapter. To state briefly, two aspects will be focused upon. One is privatization of irrigation and the other is the status of surface irrigation. India has over 20 million irrigation wells. It is still adding 0.8 million/year (Shah 2006). It is the world’s largest user of groundwater in agriculture in the world. The proportion contributed by surface irrigation has had a steady fall while groundwater irrigation has replaced the same. It is a simultaneous shift from public to private sector. Shah (2006) notes that 25 per cent of farmers in India own irrigation wells while the other three-fourth, the non-owners depend on groundwater market, which basically is the former 25 per cent of farmers who earn rent by hiring out the pumps (NCEUS 2008). It points at a skewed distribution of resources under privatization of irrigation promoted by the Indian government during the last decade. Similarly tractors and other equipment are owned by big and capitalist farmers which is hired by the small farmers on huge rent (NCEUS 2008).

Authors have found that rain-fed areas have been largely neglected by public sector investment right from Green Revolution era\(^{45}\) (Singh and Rathore 2010). Negligence of dry-land crops in 2001 policy have affected crop diversity leading to scarcity of food crops for lower rung of society like tribals and small farmers. Since 2001, fast adoption of crops which are water-intensive like horticulture, cotton, sugarcane have been adopted as monocrops by farmers in different parts, like Karnataka, Maharashtra, Andhra Pradesh and Gujarat (Alagh 2004). Part of this adoption of new crops is dictated by market prices and export demand (Shetty 2004).

We shall now move on to understand the political economy of the other inputs one by one.

2.7.1 Seed
In 1967, the Government of India initiated a National Seed Project with the World Bank’s financial assistance and expert guidance. As a part of this effort, seed processing plants were set up in 17 states with the mandate of producing certified seeds\(^{46}\). In the 1980s, the seed sector was opened to private players, as embodied in the New Policy on Seed Development in 1988. This allowed the import of certain seeds for a limited period by companies in technical or financial collaboration with foreign companies. The objective was to make the best of seed inputs available to Indian farmers to increase productivity and income.

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\(^{45}\) Only 30 per cent of Indian agricultural land is irrigated.

\(^{46}\) Certified seeds are those seeds which meet the standards laid down by Government of India. It works as a quality assurance.
The 2002 National Seeds Policy recognised the central role of private players in securing national food requirements, especially, in areas of seed production and export promotion. The policy encouraged private research and development by advancing intellectual property protection. The Hooda Committee Report (2010) emphasized a move from high yielding variety (HYV) to hybrid seed technology. It stated that since it is more expensive, government should incentivize private sector to carry out such research. Seeds, now the property of private companies, had to be bought from the market. In the same vein, the expressed aim of the 2004 Seed Bill is to ‘provide for regulating the quality of seeds for sale, import and export and to facilitate production and supply of seeds of quality and for matters connected therewith or incidental thereto’ (Saggi, 2006, p.6). It seeks to hold sellers legally accountable for quality by making registration of all seeds mandatory. This Bill has been criticised for neglecting community rights, for overlooking risks associated with GM crops by allowing them to be sold in India, and issues relating to seed-pricing and intellectual property rights.

Kloppenburg (2010) has described this conversion of common property into private commodity as ‘accumulation by dispossession’. Simply put, such legislation furthered the neo-liberal agenda of pushing private sector and reducing government role in seed production and distribution. It was regarded by Shiva (2007) as an onslaught of multi-national companies like Cargill and Monsanto on India’s indigenous resource. The other aspect is that farmers have to adopt the technology the MNCs make available, as opposed to what might be most suitable. Authors point out the need for growing seeds based on specific requirements and suitability of eco-system, like that of rain-fed and arid areas (Singh and Rathore 2010). Pulses and coarse grains, mass crops are excluded from private technological innovation, hence poor yield is resulting in farmers opting out of these crops (Ibid).

The Indian seed market is estimated to be worth $1 billion and by 2014 India is predicted to rank third in the global seed business (Shiva and Crompton, 1998). In 2012, the domestic seed industry is about Rs. 70 billion ($1.14 billion) and has exceeded the predicted figure with a production of 40 million quintals of various kinds of seeds (PTI 2012). Recently the ASSOCHAM Secretary commented that the growth of seed industry is driven by scarce land resource and government subsidies towards high yielding variety (Ibid). With a 67 per cent market share, cereals dominated the certified seed market in 2008-09 and pulses came in second with 20 per cent share. In the same time period, maize, oilseeds, vegetables and most importantly, cotton dominated the hybrid seed market (Ramakumar 2014). The seed replacement
for paddy and wheat is 30 per cent and it is 50 per cent for maize and other high value crops in 2010 (ibid). Verma (n.d.) has pegged the share of the private sector at 80 per cent in turnover in seed. Since 2002, BT has registered a dramatic rise covering 90 per cent of cotton area. The demand for hybrid seed soared up to 220 per cent over last decade (Paroda 2012). See market is being appropriated by private sector. By 2008, the share of private sector in hybrids was 100 per cent for cotton, sunflower and vegetables, 98 per cent for maize, 90 per cent for paddy and 82 per cent for millets (See, Schenkelars, Vriend and Kalaitzandonakes 2011 cited in Ramkumar 2014). Over 300 companies are part of the seed industry and part of a formal organisation, National Seed Association of India.

Within the public sector, the State Seed Corporations (SSC) have gained precedence over the National Seed Corporation regulating seed breeding and distribution. They buy seeds from private companies for crops like oilseeds and sunflower, and circulate them among farmers. It is crucial to note how a state’s bureaucracy, its political leaders and its whole machinery in general play an important role in realising and implementing such policies. For example, in Gujarat, the government encouraged Navbharat to sell Bt seeds despite the patent of Monsanto, thereby allowing the illegal market to thrive. The seeds were made available to farmers at one-third the price of patent seeds. But most state governments, like Andhra, Karnataka advocated private companies in the seed market. Karnataka offered its fields for experimenting with private seed variety. Agro-business and transforming agriculture into industry find mention in the policy documents of the state. The Asian-Pacific Seed Association meet held in Bangalore in 2000 marked beginning of a new era of propagating hybrid seeds. Here concessions given to agricultural companies by the state government were tabled and signed, symbolizing the state’s allegiance to private companies (Assayag 2005, p.74). Some dominating companies are Nuziveedu Seeds Limited, Ajeet Seeds, Century Seeds and Eagle Seeds; among MNCs, Dupont, Syngenta and Monsanto dominate the market.

The flipside is that farmers with poor access to information have been facing a crisis of how to use the new seeds (NCEUS 2008). Success of new seeds is associated with availability of corresponding extension and support services. Since the reforms, extension services have been steadily withdrawn to reduce public expenditure. This vacuum has led to deepening the cleavage between small farmers and big and capitalist farmers with the latter’s access to education, contacts in companies and/or bureaucracy aiding adoption of new inputs more effectively.
(Assyag 2005). Agricultural universities and state agriculture departments have failed to fill this vacuum. Instances of institutional callousness are listed by Kulkarni (2004). Little effort has been by state universities and Kisan Vikas Kendras\textsuperscript{47} to take any corrective measure or provide extension services (for details, see Patnaik 2003; Ramachandran et al. 2010; Reddy and Mishra 2009). Since early 2000, greater emphasis on private inputs has meant further lack of extension services. In the absence of any authority to advice farmers on new crop technologies, local retailers and dealers have come to occupy a prominent position as knowledge providers (Rao and Suri 2006).

In forging a private and public partnership, the seed policies of 2002 and 2004 have pushed cultivation costs higher, a probable cause for land dispossession (Raghavan, 2008, Janaiah, 2002, Shiva and Crompton, 1998). The prices of seeds are kept high by private companies to gain a high margin of profit which makes it unaffordable for cultivators (Janaiah 2002, Mishra 2008). Tribals and small farmers continue to use indigenous seeds. Vandana Shiva (2000, 2006 and 2007) has elicited the issue across her papers. The resource crunch has made small farmers survival in the farm sector harder since emphasis on privatization in 2002 Seed Policy.

In the Indian context, Bt cotton and wheat dominate the literature on seeds. This limits a comprehensive political economy analysis of seed production and distribution. Byres (1981) linked Green Revolution with the emergence of a class of ‘capitalist farmers’. A select reading of literature shows that the transnational corporations have gained from the unleashing of private capital (for details, see Ramakumar 2014). The other gainer are the shops selling established big brand and even relatively new brands of seeds; chemical fertilizers and pesticides have mushroomed in suburban and rural areas. Murugkar et al. (2006) have offered one explanation of how these traders have created a niche for themselves. Seed companies dealing in big brands offer a 15 per cent margin on seed price to dealers. Companies dealing in lesser known seeds offer up to 35 to 50 per cent of the seed price as dealers’ margin to provide an incentive to push for their products. In the latter case, the social capital of the dealer is crucial for the products to gain prominence in the markets. Social capital is important in another sense. Small and middle farmers often meet the high cost of proprietary seeds by incurring debt. Here, farmers’ social ties and personal connections acts as collateral with the seed dealer, to avail the credit. Once the loan is taken, the credit relation locks in farmers with a particular dealer. This in turn gives dealers the

\textsuperscript{47} Extension service offices.

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power to influence farmers’ seed choices. This dependency is exploited by both transnational and indigenous seed companies, which try acquiring local knowledge and build informal networks so as to expand their customer base and gain market share. Illegal Bt has been a source of higher margins for seed dealers and producers and a source of accumulation. This pie is shared with local government officials who have the authority to enforce seed laws (Murugkar, Ramaswami and Shelar 2006, Nagaraj 2008, Deshpande 2002). The price of hybrid seeds is significantly higher than public seeds (Pray and Ramaswami 2001). Evidence in this area of social networks and seed dealers operation is limited and mandates further research which shall be attempted in the thesis.

Harris-White (2004) has argued that the producer-product market interlocking is a source of dominance of one class over others, as she finds in the case of paddy in Tamil Nadu. It is a key factor of farmers’ agony since spurious inputs result in failed crops. Since dealers enjoy higher margins of profit for unbranded seeds, they encourage farmers’ to use them. The profits from selling unbranded seeds are almost three to four times that of branded seeds. For farmers, use of inferior inputs in face of reduced government certified inputs have ended in them with poor or failed harvest and higher cost of pesticides to get a good yield, as found in Andhra Pradesh (Rao and Suri 2006, for more details see, Ghosh 2005).

Shiva and Crompton (1998) highlight other aggressive means employed by private companies to capture the market, for instance, intensive advertising, campaigns in local languages and farmer-to-farmer advocacy by industry representatives. The governments provide financial assistance to some of these in the name of providing better quality and a greater variety of seeds available to farmers. One specific example comes from Cargill. Cargill identifies ten fields where their seeds were used and the result was exemplary. Owner farmers of these fields speak to other 300 invited farmers about their experience. On these occasions, experiments are also conducted to demonstrate the expected high quality output. Cargill also holds Intensive Customer Contact Programmes (ICCPs) where the company holds in-depth informal long sessions with farmer groups. To cite another example of corporate marketing strategy, ITC Zeneca provides farmers with free seeds for planting. During the time of harvest, up to 500 neighbouring farmers are invited to a ‘farmday’ where farmers relate their experience of using seeds provided by Zeneca and the technical staff of the attending company back these claims. Public extension services have been replaced by private companies.
The emerging points from this section are that the New Seed Policy is not resource neutral and has been benefitting those who have other inputs of production at their command, importantly, irrigation, credit and in few instances, education. In that sense, this is a similar process to that analyzed by Byres concerning capitalist farmers and the new technology in the 1970s. It does appear that entering debt relations has become critical to accessing necessary investment capital for new technology (inputs) for crops and keep up with crop diversification agenda as farmers attempt to break from poverty. Ironically, their means of pursuing betterment end up subverting the very objective, perpetuating farmers’ dependent and subservient position and even forcing farmers to commit suicide (Frankel 2005). Farmers are increasingly polarized as a certain section of farmers are finding new income opportunity in retailing seed shops, a new source of accumulation, while the majority are forced to tap informal debt sources to cope with rising cost of cultivation, leading to marginalisation and pauperisation.

2.7.2 Fertilizer and pesticides
The New Seed Policy is intertwined with chemical fertilizers and pesticide use. Again taking Bt Cotton as an example, its increasing adoption entails adoption of pest-prone seeds and then pesticides as last resort. This has led to the spread of proprietary hybrids (Herring 2008). The other things which have spread at a galloping speed are pesticides and fertilizers. Data from cost of cultivation survey shows that the all-state average expenses per hectare on insecticides, which worked out to less than a rupee in the 1970s and by 1980s was over Rs. 25, shot up by 365 per cent in the 1990s and by as much as 1,115 per cent in the first half of this decade (Raghavan 2008, Bhaumik 2008). Shetty (2004) agrees that pesticide now forms nearly 30 per cent of cost of cultivation in southern states. Another change is the high rate of mechanisation but particularly in some pockets, and selectively for some crops. Fertilizer was second in operational cost but after 2000, this was replaced by the cost of machine power, as seen in case of wheat (Sen and Bhatia 2004).

Many scholars have held that a large portion of the fertilizer subsidy benefits the industries or manufacturers and the large farmers (Birner, Gupta and Sharma 2011 and Ghosh 2005). Cost of cultivation increased due to increase in cost of fertilizers and pesticides and private players have come to dominate the production (Ramakumar 2014). Until 2004, the subsidy to fertilizer decreased following international organisation prescription but the subsidy increased.

exponentially by 530 per cent during 2004 to 2009 with about 90 per cent of the increase due to rise in the international prices of fertilizers and inputs. Pesticides has been deregulated and is under monopoly of few firms who can dictate terms and prices (Ibid). These subsidized inputs reach the farmers through government agencies like the cooperative societies (GoI).

When argument against subsidy has been widespread for two decades, and austerity has become the order of the day, it is thus expected that fertilizer subsidy should decrease since liberalisation. Scholars find the opposite in fact. In a brief summary note it is stated that ‘the cost of India’s agricultural input subsidies as a share of agriculture output almost doubled from 6.0 per cent in 2003-04 to 11.6 per cent in 2009-10’, the main two components being fertilizer and electricity (Grossman and Carlson 2011). In another study, it has been shown that fertilizer subsidy falls from 1997-98 to 2002-03 and then rises steadily since 2004 (Paul, Sharma and Thaker 2010). It has increased by 17 times between 1990-91 and 2008-09. It poses a question at the politics within India, the power exerted by rural powerful classes since 2004 on the government which could have affected such a change in budgetary allocation, against the global forces prescription. Chemical industries have possibly partnered in pushing the agenda.

Fertilizer consumption is not proportional to landholding size. In fact small farms have been seen applying fertilizer and pesticides at higher intensity to maximize yield with some regional variation (Sen and Bhatia 2004 p.220). In Rajasthan, size of farm and use of fertilizer and bullock labour are inversely related whereas in Punjab seeds, fertilizers, micro-nutrients, and machine labour is more intensively used in big holdings than small and medium ones (Ibid). Others have found no variation among farm sizes in application of fertilizers (Paul, Sharma and Thaker 2010). Alagh (1988, 2004) found that usage of pesticides is as high among small farmers as among those with larger holdings. The technology has been effective and well-accepted by farmers. There is however some regional variation. In the 1990s, five states-Punjab, Andhra, Maharashtra, Madhya Pradesh and Uttar Pradesh-had 60 per cent of fertilizers which has seen alteration post-2000, with Gujarat and Karnataka catching up and the share of former falling to 55 per cent (Paul, Sharma and Thaker 2010).

The access of big and capitalist farmers to cooperatives like other state institutions has already been affirmed in section 2.3. Cooperatives are the source of subsidised fertilizers and micro-nutrients. This means that those who cannot access them have to buy the inputs from private dealers (Nagraj 2008). It transpires to proprietary classes benefitting from the increase in subsidy
in fertilizers since early 2000. Nagraj (2008) argues that traders selling inputs are of a predatory nature charging exorbitant amounts, thus pushing the cost of cultivation higher and putting their livelihood in jeopardy. He does not provide the details of evidence but the study borrows from a geographically wide study. Jeffrey and Lerche (2001) and Gupta (1998) have presented evidence that village elite and local state\textsuperscript{49} share a close association, in which public resources are channelized through the former to rural beneficiaries. The authors argue that a disproportional share of this fund is used for the elite’s material and political reproduction, making state a source of capital. The rural elite act as intermediaries between village members and local state officials where they charge rents and/or political leverage for settling the transaction (Gupta 1998, Jeffrey and Lerche 2001). Possibility of rise of new factions around the distribution of state resources and electoral politics in last decade cannot be overlooked. But a probability is that the rural elite continue to enjoy fertilizers and seeds from government institutions at subsidised rates. Given there has been a rise in fertilizer subsidy, a question arises about who are the beneficiaries and whose interest is the state trying to protect by spending more on fertilizer subsidy since 2003. This shall be pursued in the empirical chapters.

Despite such steep rise in cost of production due to chemical inputs, a common conception that dominates the psyche of big and capital farmers is cost of labour has become unbearable. This is shared among those who do not cultivate themselves. But cost-of-cultivation survey reveals that average wages as a ratio of operational costs have not increased in the same rate as its other components over past two decades. But still the input that has been fast replaced by others is labour as seen in the survey conducted by the author; wages paid to hired-labour as a proportion of operational costs, have stagnated through the same period (Raghavan 2008). Technological innovations are geared towards replacing wage labourers, and thus the latter has to move to non-farm sector given the fall in employability within agriculture.

\textsuperscript{49} State is seen operating in layers. The national politics is ascribed the highest layer, then regional state and then district, which is often referred to as local state.
2.8 Changing Cropping Pattern: Why and where
A common classification among crops is cash crop and food crop (Fafchamps 1992). Food crop is that which farmer produces for self-consumption while cash crop is produced for the market. Common examples of food crops in India are paddy, wheat and pulses while cash crops are cotton, sugarcane, groundnut, silk, areca nut, flowers etc. It is crucial to note the same crop can be both cash and food crop, depending on the context; paddy and wheat are cash crops in Punjab where they are mostly sold in markets, while in other parts of the county like Chhattisgarh they are food crops. Land and credit are of maximum policy significance when it comes to diversification towards high-value crops (Alagh 2004, p.90). Minot and Roy (2006) argue that large farmers are more suitable to adopt high-value crops. Evidence has been presented in previous sections which show already prevailing skewed access to both land and credit along class lines. It is in this structural situation that policy induced a change in cropping pattern.

Preparation for focusing on high value50 crops can be traced to the 1990s (Vyas 1994, Singh and Sagar 2004, Pal 2008). In the 1990s, field and horticultural crops together occupied 43 per cent of RnD budget; livestock and natural resource management research another 18 per cent and 15 per cent, respectively; forestry and fisheries trail with 8 per cent each; non-commodity research like agricultural engineering received 7 per cent (Pal 2008).

In early 2000, the research was put to practice under a new scheme, the National Horticulture Mission. Subsidies were offered to those farmers who wanted to set up orchards and nurseries. It was successively followed by state governments in shifting attention to high-value crops. Privatization of seeds have made availability of seeds for high value crops easier and higher price for exportable crops—demand for cotton, flower, maize among others from urban India and export markets—have made investing in these crops more lucrative. The result is fast shifting of land to commercial crops from food crops. In most states there is a shift from growing traditional crops (cereals) to horticulture crops, sericulture and animal husbandry (Deshpande et al. 2004, Chakravarti and Kundu 2009). In the Tenth and Eleventh plan (2002-2012) stepping up of export and diversification of agriculture towards export-oriented crops was emphasised; large investments were allocated for developing hi-tech agriculture. Crops like maize, sunflower, silk, rubber, pepper, cotton, groundnut, sugarcane and silk have been in demand due to its export

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50 High value crops generally refer to non-staple agricultural crops such as vegetables, fruits, flowers, ornamentals, condiments and spices.
market. It has been argued that floriculture and horticulture are in an especially favourable position in the new policy regime given the capacity to earn foreign currency (Chakravarti and Kundu 2009, Gowda 2009). The agenda of the Indian state has been making agriculture a profit-making enterprise, a shift from the earlier food security position till the 1980s. In the 1990s, cultivators were exposed to market, by gradually withdrawing procurement by the states and reduction of subsidy on inputs (Alagh 2004 P.39, Reddy and Mishra 2009). These can be classified as negative effort. But post-2002, the new phase has seen positive effort to shift cropping pattern. Gowda (2009) classifies in his paper that the last five years, indicating since 2004 as a phase when hi-tech floriculture has registered high growth, a part of the credit for which goes to government policies. A shift in cropping pattern has been implemented. It seems a new phase has been entered in the new millennium, where efforts are strongly directed to technology with inputs towards a particular kind of crop.

Despite the Food Corporation of India (FCI) regularly raising the ceiling of agricultural prices, its purchase of cereals have fallen sharply with the opening of the sector to international trade. This has seriously reduced the security of producing food crops which when sold to traders have low profit margins, if at all. Farmers have taken up cultivation of market-viable crops to cope with low profit margins. But the result is they have landed in a trap of spiralling high cost of inputs owing to lumpy nature of technology. Assessed through political economy lens, small farmers are finding it harder to sustain themselves. The input investment burden is heavy, with few farmers managing to access formal sources for seeds, credit and fertilizers. The interest burden makes sustenance harder for the small farmers since high-end technology can also be adopted with credit (Minot and Roy 2006). This possibly explains Alagh’s (2004) prediction a decade ago that small farmers would continue with cereals (coarse and non-coarse) but would devote part of holding to commercial crops. While oilseeds has been mainly adopted by big and medium-holding farmers (Ibid). This aspect has been discussed in detail in next section. The non-food crops have gained in acreage and have also been adopted by small farmers.

The policy has resulted in encouraging numerous private enterprises—both national and multinational—to penetrate Indian markets with inputs for horticulture, floriculture, poultry, animal husbandry and meat-processing, these being products that are important for export. Internationally reputed agribusiness corporations including Cargill Seeds, Pioneer Overseas,

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51 The effects of procurement are regionally concentrated in four states, Punjab, Haryana, Uttar Pradesh and Chhattisgarh.
Monsanto and Kentucky Fried Chicken individually or in joint ventures with Indian enterprises have spread branches across states (Panini 1999). In the new policy climate, these private ventures are looking to spread technology for high value crops.

It has been affirmed that due to the new agricultural policies adopted by the state governments after 2004, crop diversification and high value crops came to focus. These crops require investment and technology costing even 100 thousand rupees per acre. Post-2002, state governments have directed subsidy towards buying machinery like green house, drip irrigation instruments etc. to assist the need of those who can share the cost of these capital-intensive machinery for these specific crops. Those farmers who are reeling under mounting debt and rising cost of chemical inputs cannot afford the exorbitant cost of machinery, neither is the technology suitable for small holdings. To reap the benefit of high value crops, small farmers have shown preference in joining contract farming for big agri-business, where the latter decide what is to be produced, provide inputs and take the crops post-harvest. The decision-making and autonomy that farmers once enjoyed are seriously curbed under such circumstances (Ibid, Ali and Harris-White 2012). In such a scenario the government taking crop-diversification as the strategy focusing on high value crops in the Eleventh Plan has potential to widen the gap between capital rich farmers and the labour rich farmers.

The policy found support from government in terms of monetary allocations. State-wise analysis of shifting cropping pattern, post the 1990s and if any further changes have occurred post-2002, state policy regarding cropping pattern, who are the adopters of these new crops have been discussed in detail in the respective empirical chapters.

2.8.1 Big farmer and emerging gentleman farmers: Converging interests
Alagh (2004) acknowledges that land use have had an uni-directional flow from agricultural to non-agricultural due to both a push-and-pull factor. Urbanisation has created a demand for land and rural economy has failed to generate enough opportunity. Floriculture has entered a third phase since early 2000. In 2005 under National Horticulture Mission subsidies for machinery, irrigation and other inputs have been granted to encourage hi-tech nurseries (Gowda 2009). While the income from floriculture is more than any other crop (wheat and sugarcane), the input cost is proportionately higher, leaving most farmers incapable of cultivating flowers. Further,

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they note ‘large’ farmers adopt these more than small farmers and are able to sustain it for a longer duration. Education and knowledge excludes the majority of farmers (Reddy and Mishra 2009, Minot and Roy 2006); In Uttar Pradesh, similar findings are reported when farmers growing cut-flowers were surveyed (Sen and Raju 2006). Chakravarti and Kundu (2009) point that the crop diversification policy can reap desired results only when complemented by extensive infrastructural facilities, financial and technological support particularly for micro labour-intensive enterprises (p.74). In absence of these, the benefits shall remain limited to the big and capitalist farmers. Hi-tech floriculture and horticulture is beyond the capacity of the small farmers and they are not the target of the subsidies offered by the state.

Adopting commercial cropping is connected to transforming land use from agricultural to non-agricultural purposes (Chakrabarti and Kundu 2009). Though a causal connection is proposed, it is not a straight-forward argument. Authors speculate new cropping pattern will result in the use of capital-intensive implements like power tiller, tractor, pump being increased; these are used more by ‘upper class farmers’. As a result, the labour-intensive rural non-farm sector—providing alternate income source for small farmers—would shrink with the use of industrially produced machinery. Hence these classes would have to complement their income by moving out of rural economy. Assadi (1995) predicted that the exit of small farmers is accompanied by entrance of capitalists and urban professional classes into the domain through flori-horticulture. This is similar to the open offer made by Modi to the corporates and big farmers to come and take up gochar land and convert it to orchards or other profit-making agricultural enterprises. While state has been keen on involving urban players, Indian corporate giants so far engaged in industrial sector are displaying keen interest in agriculture, particularly in floriculture (Panini 1999). The narrowing gap between India and Bharat is evident from these.

In light of the new policies, this is an area which needs further enquiry. Has land use been affected and if so, who are the beneficiaries? Another related question is whether capitalist’s take-over of agricultural land has brought them in conflict with the big farmer class.

2.9. Decentralisation or accumulation?
Decentralisation has had implications for processes of rural accumulation and class-relations. A constitutional change that occurred around the same time as liberalisation was the amendments
to Panchayat Raj Institutions\textsuperscript{53} (PRIs) in 1992-1993. In 1992, PRI was given constitutional status and reservation for the SC and ST in the PRIs. Even before that, it had occupied a central position in rural politics in many parts of India and many had pinned their hope on the scheme to bring about social transformation. John Wood (1987) finds in Gujarat, that despite, signs of decreasing untouchability, a parallel trend has been in that of recruiting SC individuals to middle class. Therefore, the question he poses is whether reservation in guise of empowerment of a caste, has created class-loyalists from deprived caste? Manor (2004) has indicated that local self-government in many ways act as an organ of state-penetration and generating consent among disadvantaged groups. But this does not answer whether the link is top-to-bottom alone or is it also the other way? Patnaik (2001) provides us with some direction at a conceptual level. He argues that decentralisation in India has taken place in the context of the class-nature of the central state. It is thus most likely that these new institutions work as ‘mechanism for doling out fund’ (p.58). State fund is routed through PRIs, thus signifying that access to the institution means a probable access to resources. As argued by Poulantzas (1973), access to state resources lead to the old petty bourgeoisie accumulation. Jessop predicted that decentralisation will be a key in penetration of capital but whether it creates beneficiaries at village level remains an area to be explored. These two aspects will be investigated through empirical findings.

In the early 1990s, Rajiv Gandhi had declared Pradesh Congress elections, realising the need to penetrate the countryside and build a wider party-base. Soon after, it was called off followed by a formation of the PRI. The succession of these events might be coincidental, but suggests a connection of PRI replacing the party’s objective to recruit loyalists in rural level through patronage distribution. Thus a need arises to probe the role of the PRIs in Indian politics and economics. Jalal’s (1996) analysis of local elections during Zia’s regime in Pakistan unfolds the hidden agenda to build a support-base at the village-level to hold his regime from below. Therefore, state and district bureaucracy, \textit{zilla parishad} and \textit{panchayat} heads and their roles are crucial in resource allocation and even in interest mobilisation of each state. By virtue of holding dominant positions in local state, they have the capacity to be the voice of rural demands; however, whether this power is transforming rural life or transforming these individuals’ class identity becomes a point of investigation. In the current situation of neo-liberal global stage and classed nature of state, Patnaik (2001) predicts these institutions would operate as lower level

\textsuperscript{53} PRI is a three tier local self-government institution operating at district, sub district (\textit{zilla}) and village level.
comprador agency, aiding the penetration of foreign penetration but simultaneously accumulating by accessing new opportunities created by entry of foreign capital.

Evidence from three villages in Andhra Pradesh shows a tendency of big farmers and landlords cordoning off political posts and hence resources (Ramachandran, Rawal and Swaminathan 2010). They note several such cases though one family deserves special mention. A landlord family owns about 280 acres of land and members of the same family exert tremendous control on village *panchayat*. One of them was also a professional politician, held cabinet-rank position in Hyderabad, another member functioned at the *mandal* (second tier) level, and a third was a part of the state bureaucracy (p. 26). The significance of those with ownership of means of production coming to hold positions in self-government institutions suggests the concentration of political and economic interest at local-state level.

While the explicit intention was to strengthen panchayati raj institutions at the village and district level, the political and economic ramifications have been quite different. The PRI has emerged as an instrument of patronage distribution and an easy access to the class ladder as the following case suggests. The authors sited by Jeffrey have done considerable work on struggles between different rural classes and those with capital successfully co-opting local government bodies (*panchayats*). This is important as such co-option works as a means of accumulation, since the local bodies are responsible for the disbursement of development resources in rural India. (Lieten 1996, Gupta 1998, Lieten and Srivastava 1999). *Panchayat* leaders have found new source of income through MGNREGS coming in to play as scholars find evidence of corruption related to implementation of the scheme (Vanaik and Siddharth 2008, Bhatia and Dreze 2006). Khan (2004) terms this as the ‘patron-client network’ existing in the Indian state which has intensified under corruption regime. Corruption and patronage have a close relationship and the Indian political system is sustained through it, as Manor (2004) discusses in his article on political fixers. Rural dominant classes thrive and grow by influencing and permeating state institutions at different levels (Jeffrey 2000). In all these instances individuals were found consolidating their class position through the state (local district officials, police, panchayat secretary to name a few). Police is particularly helpful when dominant-class of money-lenders have to illegally appropriate land from poor borrowers (Jeffrey 2000).

On the basis of fieldwork in Karnataka, Pattenden (2011) concludes that ‘fiscal decentralisation has thickened state-society interactions at village level, and triggered a substantial increase in
levels of appropriation of public resources by village gatekeepers’ (p.192). It is indicative of how *panchayat* institutions are becoming yet another source of income for the powerful classes helping accumulation by capitalist farmers and big farmers. There is also the issue that reservation selects leaders from deprived castes and tribes who are joining the group of dominant class. They thus become part of a creamy layer to whom the advantages of state institutions has been limited and strong patron-client relations operate between these classes and the state bosses\(^{54}\) (Weiner 2001, Vaid 2012).

Different ways of accumulation are simultaneously operating in the agrarian economy. Credit and land are the two factors of production that dominant classes control and mediate for their class advantage as argued in initial sections of this chapter. In this context, their political connections to local state have been affirmed. Growing demand for land has thus opened new opportunities for the same class who have connection with political bosses; they are often instrumental in buying land from SMF or selling their own land (partly); in these they decide on various details of the transaction which is finally bought by urban stakeholders (a kind of rent). This is yet another source of income where they get perks for settling the land deed (Levien 2011) A similar role has been ascribed to them by Manor (2004) who found ‘political fixers’ having an important role of negotiator between rural masses and political leaders. This is a form of winning patronage for the former, while taking a part of the pie home for the middleman. Palaniswamy and Krishnan (2012) note evidence of elite capture of state resources through PRIs. Land acquisition of CPR requires approval of *panches*\(^{55}\), thus excluding villagers from the decision-making process. For this consent they get a deserved cut from the broker or contractor. This, therefore, has transformed the elected members at PRIs as allies of capital.

This section has outlined numerous cases, mainly situated in Karnataka, Gujarat and Tamil Nadu where political connection is ensuring enhanced sources of income of a particular class. In post-liberalisation era, reservation for deprived castes, has enabled that individuals with lower-caste affiliation come into fold of the ruling political class. They have gained access to the resources which have risen through new schemes and programmes like MGNREGA (Rajshekhar, Babu and Manjula 2011). This is an area which mandates further enquiry in the three states.

\(^{54}\) For more details see chapter 1.

\(^{55}\) Elected head of the *panchayat* institutions.
2.10 Conclusion
The trajectory of Indian agriculture in the decade following 2000 has moved towards a chemical input-centric, high-value crop-oriented, irrigated and mechanized agriculture by the private sector as illustrated in the chapter. First, came the unsuccessful land distribution which lacked political will, followed by the Green Revolution which deepened inequalities, widening both regional and interpersonal disparities (Alagh 2004, p.48, Byres 1981). On this unequal social structure, policy makers decided to build the edifice of privatization, which potentially could perpetuate inequality. Given that state is an important institution, what state agricultural policies as listed in subsequent chapters reveal about the nature of the each state is a point to dwell over.

An understanding of what political factors could have necessitated such a policy shift is a crucial question pursued in the thesis. A comparison has been drawn vis-à-vis agricultural policies prior to the 90s. Since the main argument as posed in chapter 1 is the need to study the specificities of a country rather than ascribing all causality to global forces, regional political settlement shall be investigated to explain the new policy regime. In terms of effect of these policies, case studies are few and limited to few regions like Andhra, Punjab, Uttar Pradesh, Karnataka, Tamil Nadu. Hence, the effect of these policies, what privatization of inputs, new cropping pattern and rapid land acquisition by capitalists mean in the specific context of the three states will be the other point of examination. Though identifying which class has benefitted from chemical input adoption, new source of accumulation like land transactions and informal money-lending have been performed in literature, but given its focus on society and on specific regions, a political sociology understanding of agrarian society would be extended to the three states in particular.

In the previous sections, the focus was on various inputs of production, namely, land, credit, and chemical inputs and identifying its beneficiaries. It was shown that there have been some important changes in these domains in post-liberalisation era, particularly after 2002. To realize the objective, it has increasingly made room for the private sector which develops high-value low-volume inputs which are expensive. What transpires as a result among different classes like big and capitalist farmers and the small farmers will be a question raised in the empirical chapters.

Three scholars shed light on associated themes of land acquisition and decentralisation in three different locations in India—Rajasthan, Gujarat and Karnataka—but arrive at overlapping inferences. All of them place ‘state’ at the centre of their analysis and find a particular class
accumulating through access to state resources. Pattenden infers that relation among the classes is closely intertwined with ‘how each class relates to the state’ bringing state very much into the realm of accumulation and self-perpetuation (Pattenden 2011). The economically powerful classes use political leverage to further their interest. Sud (2007) finds an unholy marriage between the political class and the economically dominant class, while Levien (2011) sets the state at the core of land acquisitions characterising it as ‘land-broker’. It is acknowledged that such studies have not been many, neither conducted in other parts of India. Generalisation on the basis of these studies may thus, lead to a weak conclusion. Therefore, these qualitative trends shall be further investigated in the empirical chapters.

The different classes and actors who have been identified in previous sections are brought together in the concluding section. The trader, retail shop-owner and money-lender overlap with the proprietary classes of big and capitalist farmers was indicated in several cases. Agricultural policy has opened new avenues by the utilization of which the proprietary classes have diversified functions into chemical input retailing, money-lending, earning rent from hiring out pump and tractor, thus transforming itself into petty-bourgeoisie as several case studies demonstrated.

The cases presented points at two things. The surplus producing farmers’ access to political institutions continued in the last two decades as several such instances suggest from the literature (case studies and surveys undertaken in different regions of India). The close proximity between the big farmers and the political class persists even when state was propagating an anti-farmer policies; Second the big farmers directly or indirectly are instrumental in fostering accumulation by the capitalists as seen in land deals. Land grab is also a process facilitated by big and middle farmers as the case studies indicated but serves the interest of the capitalists. Likewise seed and pesticide retailing where big corporate seed is sold by big farmers cum traders. So these two classes seemingly develop overlapping interests. These trends need further enquiry in the states being examined to develop an understanding of agrarian structures and the political settlement.

The point of investigation is whether these inter-relations and overlap amongst different class interests are exclusive to the cases discussed or is there a pattern in India. Such a finding can potentially illustrate if a class linkage has emerged/emerging between rural proprietary classes and capitalists and whether the bureaucracy plays a role in that relation. To make sense of the
relationship, the vantage point is the classic piece by Pranab Bardhan (1984) where he draws up the three class model involving these very classes.

Taking these questions forward field study to gather empirical findings was entered to serve as the basis of drawing conclusions in the thesis. To actualize these objectives, it is imperative to cover multiple stakeholders like political class, journalists, social activists, big farmers, academicians. To be able to cover this variety of respondents, the methodology would be inductive and on field, the method would be in-depth interview. A number of districts in each state have to be covered to capture regional variation of how agrarian structures are organised and political settlement operates within a state. The next chapter discusses the rationale of the methodology, methods employed in fieldwork, and various experiences gained in greater detail.
Chapter 3

Methodological approach and field experiences

The chapter outlines the fieldwork plan, the rationale behind choosing certain methods over others, selecting the fieldwork districts and the various issues that arose during fieldwork. The chapter will be divided into three main sections—literature review, field preparation and fieldwork itself describing experiences, encounters and limitations.

To reiterate the objective of this research, it is:

- To understand the nature of agricultural policy in each state, post 1990s. What were the key considerations for the policy makers
- To examine if rural class’ interest plays a role in shaping policies, which classes are part of the political settlement prevalent in each state and how they influence and access government institutions?
- Class formations and class consolidation as a result of these policies

The first question needed consulting policy documents and interviewing bureaucrats and technocrats working on policy formulation. The second question entailed understanding functioning of classes in the political domain, their interaction with government institutions and political parties. This could not be addressed through dealing with existing data, like NSSO or census. Neither could a survey of households offer the kind of information I was looking for. Rather, long interviews, and focus group discussion would be more suitable.

The objectives can be broken into five main elements:

- Identify the dominant social groups in state politics and dominant classes in agriculture
- What are the agricultural policies and plans in last one decade
- How do the social groups influence the political system—through political party, social movement, individual politician and bureaucracy relation?
➢ How do agrarian groups try to influence the local institutions? If there is a variation among the states as to which are the effective channels?

➢ Do these policies help rural class consolidation?

It was not possible to cover the different social groups through statistically significant samples. Instead a qualitative case study approach was chosen. The point was to reach an understanding of the existing major qualitative tendencies, by gathering views and information from a variety of stakeholders. So taking a few cases to explain a larger reality was deemed optimal.

Case study is of two types- synchronic and diachronic (Gerring 2004). The first is when a particular case is studied over a period of time while second is when cases are studied in a particular period. My study is diachronic as three states were compared post-1990 to the present times. Like all policy areas in India, agriculture has also seen a new set of policies in this period. The focus is on new elements introduced into agricultural policy like privatization of input, input centricity, mechanisation, shift of focus to high value crops with the private sector assuming the position of the driver. To understand why such changes were made, it is likely to adopt a technical perspective which argues efficiency as the goal of such policies. But the same is abandoned in lieu of a political economy approach to keep to the objective of the thesis.

To me case study was the most effective way to unearth qualitative trends from across such a wide geographical area and varied stakeholders. There were many uncertainties lurking over my fieldwork, individuals are unpredictable entities, not all interviews were in my control, there were also limitations in the kind of respondents I found. For instance, in Karnataka the respondents I could access were mostly academic and activists given the language barrier rather than farmers or traders so I depended on the former to understand the ground reality and verified the trends by visiting districts later; in Gujarat, the hindrance was of a different nature; few respondents just refused to talk about politics and focused on technical aspects of policy. So it is true that there were instances of diversion from systematic progression in my work, but the attempt was always to structure the interviews and channelise the conversations towards the said objective. However, there was a logical and coherent work strategy and I attempted to cover all kinds of stakeholders across the three states. Chhattisgarh was the easiest in terms of finding contacts but I worked harder in the other two to keep a balance among my interviewees. On objectivity,
attempt was made to clearly state any prejudices before hand, to include different types of respondents and to cross-check information with key informants (Mehrotra 2012).

Instead of applying case study as a standalone method I coupled it with triangulation. The method entails at least three stakeholders agreeing on a point preferably from different contexts (Guion, Diehl and McDonald 2011). Triangulation is a method used by qualitative researchers to check and establish ‘validity’ in their studies by analyzing a research question from multiple perspectives. Data triangulation involves ‘using different sources of information in order to increase the validity of a study’, most often from different stakeholders. To regard a finding as valid, reflecting ground reality the number of respondents’ in agreement has to be three. The example the authors provide is assessing the impact of a social programme where the different stakeholders constitute participants, other researchers, programme stuff, other community members (ibid). This is what I followed in my study by focusing on few cases and gathering multiple views on them from different stakeholders.

Triangulation has been established as a reliable method in qualitative studies within academia. The method of gathering information are commonly observation, interviews, focus group discussion and document review like government policy documents on different schemes. It was the most effective method given the geographical variation and time constraint in field. For instance, to understand who constitutes big farmer, how is it different from capitalist farmer and landlord, class consolidation and their political influence an in depth or intense method was required as offered by triangulation. On interviewing a trader I would check his class background like size of landholding, ownership of agricultural input shops, ownership of machinery like pump, tractor, government jobs etc. to unfurl the sources of accumulation. Further I would enquire with other members of village, activists who work in the village to validate data. A scope for triangulation, where three different stakeholders agreed on a point was to be the key to accepting any information as reliable. On the question of validity, attempt was made to clearly state any prejudices before hand, to include different types of respondents and to cross-check information with key informants (Mehrotra 2012).

3.1 Deliberations and review of literature
The preparation of fieldwork involved deliberating on issues: where to look, what questions to raise in field and the most difficult one, whom to ask? Familiarising oneself with relevant literature seemed essential to resolve these questions. From available literature, I realised that a particular class used more than one channel to influence the government. The final identification
of the classes remains to be decided after pilot survey and initial field investigation. The categories that emerged as relevant so far are big farmers, capitalist farmers, landlords, middle farmers and small farmers\(^{56}\). It seemed likely that they will include at least some of the following categories. In recent literature, Harriss-White (2004, 2008), Ramachandran (2005, 2010), Pattenden (2011) and Sud (2012) draw attention to categories of trader, intermediary, petty bourgeoisie, gate keepers who are playing a pivotal role in agrarian political economy of few states. So their role in policy formulation along with the industrial capitalist became a point of enquiry. The latter are particularly important to understand the terms of trade for agriculture vis-à-vis other sectors, and how negotiations of other groups affect determining agricultural policy. After deliberations with my supervisor and a colleague who recently performed a field study, political cadres and social workers seemed critical parts of the puzzle too.

Alongside my proposal I drafted a state section which entailed basic information on each state and reading of some relevant articles post 1990 and a few books. It primarily focused on geographical information, the internal disparity among districts, the presence or absence of farmer movement in each state, other operating lobbies, cropping pattern and which crops have come to dominate agriculture. These were important to gauge the kind of information already available and to ascertain what I was looking for. This was also the stepping stones to drafting the questions. Chhattisgarh was the easiest since being a new state, its literature was limited. In case of Gujarat and even more for Karnataka, managing so much information was a struggle. But I must admit, what I read before fieldwork was only the tip of the iceberg.

In course of writing the proposal, I had included the Union as a level of enquiry and then the three states. My supervisor was certain this would make the thesis too general and too big a project. I was optimistic and resisted his opinion. But as I began reading up on the three states, I realised doing three states itself was quite a challenge. So a fresh round of deliberations made our points of view converge. I was to visit Delhi only to find contacts and collect information about the states. We redefined the scope of my work and functioning of the union government was not a part of it.

Various researchers have highlighted the importance of choice of stay at the research site which influence the interviewees’ perception of the researcher, shapes the researcher’s subsequent role in the context of the study and sets the tone of fieldwork (Sharma 1978, Breman 1985). I decided

\(^{56}\) It includes the marginal farmers and are referred to in text as SMFs.
to live in each state’s capital and when needed at district, renting a place to stay. With respect to
interviewing bureaucrats, academicians and politicians, especially those holding office, attention
to modesty, showing respect to those in positions of power, adhering to cultural norms of the
state had to be observed. It was also important to present my connections, personal and
institutional (i.e. JNU, SOAS) and the importance of the research in the right light. So from
London itself, I started getting in touch with people who could assist in renting houses in all
three state capitals. Locality, price and neighbours were considered before choosing the place of
stay.

3.2 Operationalising objective: Choosing sites and interviewees
In chapter 1, the reason for choosing a three state comparative study is presented. It is borrowed
from Atul Kohli’s work, a classic in Political Studies. The reason for choosing these three states
in particular has also been spelt out, taking the commonality of the ruling political party and the
difference in economic profile it offered a wide spectrum to investigate.

The fieldwork was to be conducted at three levels: state capital, district and village. However
attention was not to be distributed evenly. Village was the last in priority and capital at the top.
Since I intended to understand the functioning of political parties, their relation with farmer
lobby among others or the access of the big farmers to upper echelons of governmental
institutions, I consciously targeted the power hubs of each state.

At the preparation stage, my biggest hesitation was how to build contact with political leaders
and bureaucrats. Past experience suggested taking their interviews and getting facts out of them
are difficult, so in all possibility, they would not constitute a strong source of data collection. So I
decided to target other stakeholders like traders, businessmen, political party workers, journalists
who would be as much a source of information, yet more easily accessible. I was also unsure
whether in terms of information I would be able to balance the account of the three states. For
instance, Gujarat is one state where the government has been very dominating and has also kept
information relatively concealed about processes within. In fact, Modi, Gujarat Chief Minister,
has hardly had a single media coverage against him which seems a result of very tight control on
media rather than his phenomenal work. So building a vertical linkage from class to state was a
challenge. So on advice of old colleagues, I decided on conducting a pilot survey on each state,
seeking advice from academics and activists from both Delhi and the state itself.
There were also security issues. In particular, Chhattisgarh has been going through periods of severe unrest owing to tribal displacement and rise of the Naxals and the state is reputed for its oppression of civil society activists. One example is the case of Dr Binayak Sen who was imprisoned on charges of sedition for his contact with Maoists. Being a Bengali, many from my family knew about the case and discouraged me from working in the state. I did not give in but the need to be cautious at every stage in acquiring information and meeting people became a constraint even before reaching India. I realised mobility in the districts would be limited in Chhattisgarh. Finally, my father decided to accompany me in the initial phase of my work at Chhattisgarh.

Being a woman also was a point of concern; my work demanded mingling with the political cadres and social workers. Having experienced this kind of work before, I was aware that despite my urban upbringing and liberal thinking, I had to abide by certain social stipulations during interacting with respondents. They were a significant source of information and the fact that I could not follow them everywhere was a constraint. Even in case of Gujarat many warned me that the government was not supportive of such research and hence I was advised to avoid catching their attention.

So I chalked out a travel plan - beginning with Chhattisgarh, then Gujarat and ending with Karnataka. I was most familiar with Chhattisgarh having worked on a project there and I was also most apprehensive about it, given political tensions around Naxalism. Gujarat had to be the second state because post March, it is too hot to work there. At the state level, I decided to target different stake holders depending on contacts and availability, with a focus on small farmers, big landowners, traders, industrialists, panchayat leaders, senior officials in Ministry of Agriculture of each state, political party cadres, farmer leaders, state-level party leaders, senior journalists and academicians working on these issues.

Data collection would entail combination of a number of methods: case study, participant observation, long interviews (semi-structured) and focus group discussions. These methods were used flexibly in varying combinations depending upon the nature of the respondent, the time one could spare, the distance from capital and which stage of fieldwork I was in. Semi-structured checklist interviews were conducted in capitals and districts while focus group discussion (FGD)

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57 Naxal is a generic term used in India to refer to extreme left guerrilla groups who are under the influence of Communist Party of India-Maoist. The movement originated form a West Bengal village, named Naxalbari.
was more time efficient with small farmers. Just as pointed out by Roche (1999), it provided an opportunity to observe peoples’ interactions with each other, how their views and opinions developed and formed in conversations with one another, allowed group verification of information and the debating and dialoguing involved in these FGDs helped generate new insights.

Informed by past experience, I knew a fixed questionnaire would not serve my objective. Interviews had to rather be semi-structured and be held on one-to-one basis. This is the only way that there could be flexibility in modifying and adding questions even during interviews, if necessary. Given variety in situation, location and perception of stakeholders, a strict set of questions had a risk of overlooking critical issues, leading to fallacious or at best partial data. Semi structured interview allowed the respondent an autonomy which was much needed. For semi-structured interview, I prepared a checklist in consultation with my supervisor, which I intended to carry while conducting interviews. It is given in Appendix I.

It would be helpful to lay down how the method was to be used. Case study is of two kinds: descriptive and causal. Its essence lies in drawing a broader case based on few instances of something. In that sense, it uses inductive logic. Whether I was to build causal links or use those cases for mere description, I was unsure. I wanted to draw causal connections but at the same time wanted to use the variety of information collected alongside each interview, like the respondent’s attitude, owned house/car and disposition towards ruling political party as part of the thesis. Eventually the descriptions have also served the purpose of empirical data. The repetitive occurrence of some features in description like a big farmer’s connection to local political leader, his reference to name of district level bureaucrats, his followers among small and medium farmers who would accompany him to interviews made triangulation possible thus strengthening the causal links. Hence it is safe to say the method employed was case study to establish causality.

Gerring (2004) writes ‘If the primary unit of analysis is the nation state, then within unit cases might be constructed from provinces, localities, groups or individuals’ (p.344). In my case the unit of analysis is state, and within state I looked for cases across 7 districts in Chhattisgarh, 8 in Gujarat and 9 in Karnataka to construct a state-level understanding. This was to avoid focusing on one or two districts which could have a different political economy than others. I tried to
cover a variety of districts to see if a pattern existed across them, or if each had something different to offer.

The total number of interviews in Chhattisgarh was 47, out of whom 19 were farmers (primarily big), 10 were academics working closely with the state, 6 respondents consisting of social activists, development professional, 4 journalists, 5 state officials and politicians from BJP, Congress and CPIM (including ministers), 2 private fertilizer company employees. A farmer could well be a state official or a social activist or a petty bourgeoisie since these are not water tight categories. Hence might be counted in two categories. Hence adding the subgroups might exceed the total. The total number of FGDs held were 3, one in Bilaspur with female small farmers in (August 2011), one in Durg with youngsters studying in a District Institute of Education and Training who were all from rural backgrounds (September 2011) and other in Raipur with OBC big farmers fighting for better compensation in lieu of their land taken over for Naya Raipur project (September 2011).

For Gujarat, the total number of respondents was 47 out of whom 18 were farmers, 1 senior bank official, 2 capitalists, 3 political party members of Congress and state officials, 8 social activists and development sector professionals, 9 academicians cum researchers. Here again, petty bourgeoisie is an overlapping category with big and middle farmers and hence not spelt out separately. The academicians could be classified into two sections, few who were working closely with the state and the rest who were critical of state policies. One old gentleman acted as a key informant. He accompanied me in initial phase of fieldwork and would share old newspaper cuttings to take me through the background of agriculture in Gujarat. When stuck, he would explain various local practices. Across the state, two FGDs were held, one in Mehsana with big and fewer middle farmers and another in Anand (Petlad) with organic farmers owning more than 10 acres each.

For Karnataka, total interviews conducted were 38 out of which 22 were farmers, 6 academicians working in related fields, 3 state officials, 2 journalists, 7 political party members of JDS, KRRS and CPIM. In the state, there were 2 respondents who were interviewed twice each. The need was to get to the thick of the information provided by them. Over a period of 4 months, 3 FGDs were held, one in Mangalore with tribal small farmers, and two in Bellary and Shimoga with big capitalist farmers, growing sugarcane and arecanut respectively. The details of the same are provided in Annexure II.
Since the evidence on the political leadership is inconclusive, evidence from newspapers, books and reports by Association of Democratic Reforms published on the candidates’ financial and criminal backgrounds during every assembly election have been incorporated to substantiate the qualitative trends with quantitative data. This has been done keeping in view the significance of the findings in answering the questions the thesis attempts to answer.

3.3 On field: Experiences and encounters

The literature revealed certain dominant social groups in each state, both within and outside agriculture. It also gave pointers as to their regional distribution within the states. But social groups and their specific interrelation are continually developing, so to firm up these trends, it was essential to talk to local key informants such as academics, social workers, journalists, outspoken political activists etc. In order to identify the key social groups, including the agrarian classes, and their physical location the fieldwork had to start from the capital of each state (Sud 2007). Attempts were made to gather reports and other documentation from various local and regional institutions, publications, newspapers etc. as evidence (Breman 1985).

On reaching India, I went to New Delhi all set to start fieldwork. I had some contacts in Delhi already. Delhi is also a hub of research institutes like Centre for Policy Research, National Institute of Public Finance and Policy, JNU, and National Commission of Enterprises in the Unorganized Sector. So talking to members of these institutes and other academicians proved helpful in understanding how agricultural classes have grown, have consolidated their support to political parties and what role they have been playing in Indian politics. They provided me with contacts of kisan sabha, CPI(M) farmer wing, academics and NGOs working in each state.

Before embarking on fieldwork I had identified a number of contacts, especially small businessmen and supply agents working in Chhattisgarh. But in Gujarat and Karnataka I had to build contacts on my own. In absence of earlier connections, it took me longer to establish connections in these states.

The chief location of information was the state capital, given the concentration of political representatives and lobbies there. But I was advised that people at district level are more open to sharing information, so I should be flexible to travel to districts as well. In this regard, interviewing the district level bureaucrats and other senior officials was attempted and effort was
made to visit villages referred as politically influential. Interviewing local leaders who had organised agrarian demands in the districts served as a chief source.

To start the fieldwork in the first state, Chhattisgarh, I looked to rent a house in Raipur. The flat I rented was owned by an esteemed businessman in the city. I soon built a rapport with him. His contacts were my entry points into the politics of the state. The businessmen were part of ‘the system’ and were often in touch with officers and politicians. This field strategy was unique to this state. In the other two states I started work by organising meetings with well known academics working on themes akin to my work. Their interviews gave a better understanding of who the main groups influencing policy were, identified at least some of the main power brokers for such groups. They also named some organisations (farmers’ organisations, traders’ organisations, movements etc.) as well as individuals. So my next task would be looking for contacts of these named people.

These initial interviews gave me a lead in identifying which districts within each state had powerful provincial and/or agricultural lobbies. Once two or three such districts were identified, I started visiting them. Academics gave me an idea of state literature which I was unfamiliar with; this guided in building a chronological narrative to outline the basic parameters of the case and its context (George and Bennett 2005). The history of each district, which were the constituencies of the current ruling party and which was in support of previous governments played a decisive role in understanding lobby politics. By socio-economic indicators, I chose the more developed districts. It almost always was the case that farmers from these districts had better access to state institutions. But I made it a point to visit a backward district in each state to see how different things were and if an organised farmer demand was arising from those.

I visited the district headquarters to interview local bureaucrats, politicians and activists; for instance, in Karnataka, in an interview with a farmer leader of KRRS I met district heads of the farmer organisation. Subsequently, I got in touch with them and visited them in their respective towns. In Gujarat, where I met a reputed big farmer right at the beginning of fieldwork was linked to farmers in other districts. He provided me contacts of his kin and acquaintances in other districts like Rajkot. Almost two months later I went to Rajkot and interviewed his contact farmer. Journalists proved an important source to organise meetings with political leaders and ministers while in Gujarat; a CII member most kindly introduced me to retired bureaucrats. A grape vine-like thing happened; each respondent would give one or even more contacts. Not all
contacts and telephones numbers were valid but several responded. It is termed as snowball sampling in methodology.

There was a variation of questions across three states since the same issue was not uniformly important. Public distribution system, mining and landgrab were particularly important for Chhattisgarh; cotton, cash crops, floriculture, irrigation, power and APMC dominated the Gujarat agricultural scene; in case of Karnataka, mining, water, farmer movement (KRRS), mechanisation in agriculture and land transfer for speedy urbanisation were of particular significance.

In Chhattisgarh I targeted the districts located in plains. The hilly districts were inhabited by tribal small farmers as evident from government figures, thus insignificant in the big political game. In Gujarat, I visited the districts in central and south Gujarat with two exceptions, Rajkot in Saurashtra and Banaskantha in the north. Since Ahmedabad and Surat (located in the central region) dominate the economic scene and Gandhinagar (the capital) is also located in the same region, these had maximum amount of lobby activity. Farmers who hailed from remote districts also came to the state capital to register their demands; so focus was on these seven districts-Baroda, Kheda, Mehsana, Anand, Surat, Ahmedabad and Gandhinagar. In Karnataka, from the onset, respondents warned me that Northern Karnataka was feudal and backward unlike its southern districts. The south also dominates both political and economic scene. So I concentrated on districts in south with exception of Bellary and Dharwad. Despite their geographic location, they have been important in recent state politics. Bellary has been infamous for mining activities and Dharwad, for hosting Hubli, the new upcoming city of north Karnataka. The southern districts I travelled to were nine- Mandya, Coorg, Dakshin Kannada, Mysore, Bangalore, Tumkur, Shimoga, Bellary and Dharwad.

The final stage in each state was visiting villages. The overt dominance of academics and activists among the respondents in Bangalore made visiting villages crucial to validate findings. In Karnataka thus the number of villages visited was maximum. In case of Gujarat, I visited fewer villages as the person I was living with continuously worried about it and discouraged me to go. This made me uncomfortable so after five, I did not venture to more. Instead I maximised on different kinds of stakeholders in cities and towns. In case of Gujarat, an added advantage was

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58 Each time I would propose visiting a village, she would ask a driver or a helper (man always) to accompany me.
the close link between urban and rural sector, a big farmer would often have a business in nearby town. So I did not have to necessarily visit the villages to meet big or middle farmer, rather there was ample opportunity to understand their class character and multiple sources of accumulation (agricultural and non-agricultural) by meeting them in urban context. Village interviews helped in investigating the linkages between the village and the big cities, the functioning of big farmers and middle farmers, note their caste identity and political affiliation. Their position vis-à-vis district institutions like cooperative society and panchayat would also be examined. To confirm the finding from the villages, focused group discussion with small farmers would also be attempted.

At state level, a number of written documents were collected. This includes new additions to agricultural plans and budgets, and related policy statements. The web was a good source of such information for Karnataka, but Gujarat and Chhattisgarh do not provide much on the web. During my stay in each state, I followed respective state newspapers and filed cuttings of important articles on relevant issues. This included price policy, APMC, power supply, inputs, exchanges between Planning Commission and state department etc. A few academics offered to make copies of seminar papers and dissertations written by their students and faculty. These materials are not available on websites or as books, so these were precious additions helping me to build a case. Even local NGO reports and public litigation papers were looked at where appropriate. I realised on the field that government documents were often procedural, and few technocrats pointed out that words in policy hold no real meaning. They are long documents which are implemented selectively. So I invested more in talking to bureaucrats to understand the vision of the state and how they wanted to develop the agriculture sector.

During meetings with particular stakeholders like bureaucrats and senior academics who were well known conservatives, I disclosed my research topic selectively. I would explain the first objective, and briefly mention the second objective hoping they did not note it. There were interviews where I received adverse treatment from a few academics or state officials. Belonging to Calcutta, a left dominated state and having been educated at JNU, a left oriented university, respondents often took an automatic like or dislike towards me. Their disposition was connected with their position and political leanings. This was a mainly urban phenomenon. In villages, most people found it quite amusing that I was working on agriculture. In fact some commented that this was rare, especially since I am a woman. Some rich farmers would take out their phones,
note down my name and phone number. By next day, I would have received friend requests on facebook from them. This was more common from traders, like owner of tractor shops and truck companies.

Focus Group Discussions were conducted at community halls or at the house of a farmer who was organising the meeting. They would inevitably take me to their field and show how things were. Right from the crop they grew, the labourers they used to the pump set and tractor were explained. A list of few central questions was adhered to in all interviews and others were raised as per the nature of the respondent. In fact, sometimes giving space and autonomy to the respondents brought out the dynamics among the players which was helpful.

3.3.1 Encounters from field
The following section describes the experiences and some special encounters which I had during fieldwork. At a personal level, they stimulated thoughts and insights I did not have a few years ago. These are not academic findings but when reflected upon, tell a lot about the people in these three regions and how they perceive a researcher like me. I maintained a diary to write down details of some incidents and the people who seemed unusual.

In Raipur, one of the first things I needed was a phone connection to start contacting people. I did not have a local address proof and was finding it difficult to get a connection. After attempting many companies, I finally met a network officer Ashish Sharma (5th August 2011). He heard me for less than 5 minutes and promptly suggested, ‘should I get you a rent deed, it costs 170 rupees and then connection would be activated by tonight’. I gave him the cash and in matter of hours, he got the deed ready and the new connection was working. The deed had a government stamp and an advocate’s signature. For the smallest of profits he did not mind bending the law. He understands the simple logic of good service and money, at the same time, obeys the religious norms of doing pooja (prayer) in the morning, before starting his day. While making most of market opportunities he also adhered to familial practices of worshiping in the morning and used legal systems of the state to further the profit motive of the company.

Still in Raipur, the next door neighbour who worked in Bharat Petroleum informed me that my house owner was one of the most influential families in Raipur. The owner soon agreed to give an interview. The family name resonated power, status and control. I met him in his petrol pump, in the outskirts of Raipur. There were several trucks loaded, waiting there. In an A/C
office he received me with a smile. The first few minutes were spent explaining my project and then he took his white blackberry out. He assured me he’ll arrange a meeting with the Agriculture Minister, if need be. He connected me to a minister. Then explained that he was a BJP man and had good political connections. The latter assured me a meeting with a senior bureaucrat and asked me to visit his farm. He has land and understands a lot about agriculture. Another person I spoke to named Manu, is a fertilizer supplier in the state; one of the biggest firms. Soon he dialled another number and this time, it was Sachdev, owner of a fully mechanised rice mill. He informed me proudly that they have been in this business for 35 years, and have recently opened another firm. They use less and less labour, since there is a shortage of labour in the state. He added, machines are now imported from Thailand, and the best quality comes from UK and Japan. They have a mechanised farm and export rice as well. They sell to exporters who label them under different brands, in turn sold abroad.

Mr. Deewan’s conversation periodically returned to labour issues in the state and that tribals lacked discipline; they would go back to village for festivals and not be back for months. Across his mills, shops and petrol pumps he preferred hiring labour from other states. The Deewans also owned a rice mill which incurred huge losses and hence was sold off. This meeting was an eye opener laying bare the connection between the economic and political powerful classes. The family originated from Bikaner in Rajasthan, migrated in pre-independence era and ever since has settled in Chhattisgarh. He had three diamond rings and kept chewing panparag (chewing tobacco). His pronunciations were blurred but he mentioned ‘she has come from London and is niece of our officer’ each time he mentioned my name. I realised the only reason for extending his help was my relation with a senior officer.

An instance that shook my faith in Indian secularism was when, one day around 11 a.m. I watched a RSS and BJP procession, right below my house, on Daldal Seoni road with nearly 60-70 people. It was day time and they were calling out 'Har Har Mahadev' (Hindu religious chant). They were ostentatious and fearsome. I don’t think I can explain the feeling but their power was evident. Later, in Jagdalpur or Mahasamund, I saw the rightist ideology of BJP on exhibit—in posters, symbols on rural house-walls, on roads and highways.
A month later (15/09/2011) I dropped in a coffee shop for a quick cup of coffee. There I saw these posters of garba for navaratri\(^99\). The posters had pictures of a powerful minister of Chhattisgarh inviting everyone to join the festival. He is well connected with the millers and miners lobby and has been commanding a significant presence in state politics. I looked around carefully to realise the shop was owned by a family from the west of India. The minister’s photograph on a poster indicated use of popular cultural space by political leaders. It is also symbolic of BJP reaching out to the Hindu population through all possible channels.

In Gujarat my situation was quite different. I lived with my relative. So I had an insider perspective guiding me throughout which was an advantage but not always. He introduced me to a few people including a warehouse owner who was big moneylender. These people could be accessed because of my uncle’s connections. The duration of stay was three months; the initial week was very difficult, as I reached Ahmedabad two days before Diwali (biggest annual festival) and the city closed down for celebrations immediately after that. It took about ten days for things to move. It was frustrating with all resources going waste and even when people were back at work, they were not keen to entertain me. This possibly explains why I had to make two more visits to Gujarat in order to complete my field interviews, each for one week.

The interviews were initiated when an old friend introduced me to her uncle who owned a farm near Ahmedabad. On 28\(^{th}\) October, I was supposed to wait near the APMC, a huge complex, to be picked up by this friend to meet her uncle. I stopped the auto on my way to visit an ATM; seeing the empty auto, an old Muslim man came up to the autowala (auto driver) asking whether he would go, to which he replied he was engaged; the Muslim man immediately replied ‘tu to Bangalore jayega’ meaning you will go anywhere but where I ask you to go. The autowala on my return told me ‘aise log kom ka naam kharab karte hain’, as these people bring ill fame to the entire religion. I was amazed to see how such a small issue flared into a religious thing. Ever since I observed few more instances where people I knew including my relative displayed displeasure at my visits to my friend’s house. ‘She is a Muslim’ and this point was reiterated each time I met her. This intolerance was quite shocking since each of these individuals were educated and urbane.

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\(^99\) A festival worshipping Goddess Shakti celebrated across India. In north and west these are celebrated over nine days while in east of India it is a five day celebration.
On my second visit to Gujarat in March I was privy to how land deals are done in the state. When we google ‘land purchase in Gujarat’, the immediate result is ‘land purchase by outsiders is not legal in the state’. I however never had any such illusion but a scene I witnessed was like a TV show playing real life drama. I was seated in a coffee shop in Rajkot. It felt like any other big town, being surrounded by an urban crowd, wearing modern clothes and sipping coffee; there was one man who was a mismatch in this ambience, a dirtily dressed man, waiting with files. Soon a gentleman walked in and stood next to the former man. In no time, the lawyer joined the meeting who took out documents. The dirtily-dressed man discussed land transfer and soon after they signed the papers and the well-dressed gentleman left the restaurant. Many respondents have spoken about land transfer but this incident confirmed the illicit method on ground.

From February 2012, I moved to Bangalore where I rented a house. It took me sometime to settle, setting up the basic amenities like phone, internet and then getting things in order. Most time was devoted to writing the Gujarat report. Life had been quite dynamic for previous seven months and I was recovering from all the travel and information. Right at the beginning, I interviewed a senior faculty at an Agricultural University who spoke bitterly against the Congress party and was pro-BJP. Right at the end he confessed, he was a jagirdar with 1800-acre land ownership and his deep disdain for the Congress party stems from his personal loss of land. The moment of revelation was when I turned around and asked him, ‘so Sir, why did you decide to teach?’ He answered ‘to get married’. After an hour of bad mouthing government policy, I could feel his deep sense of loss and fall in social prestige, which has scarred him for life. He represented those hundreds who were rulers in north Karnataka in pre-land reforms’ period. The last few lines of interview were ‘big farmers have their channel into governments and bureaucracy. It does not need an organized voice’. It was the most interesting, unexpected yet informative interview. He divulged that landlords and big farmers do not need a formal lobby to infiltrate the state apparatus. Individual connections with state officials and politicians were sufficient to mould schemes and policies to their advantage. Although this was a unique instance and cannot be generalized, it was a useful insight to make sense of my field work data.

In Bangalore, the first contact I had was with a kisan sabha, where I went in April. While interviewing a leader, I realised how difficult it was to understand the ‘English’ they spoke; the accent being different. He further warned me that with farmers it would be even more difficult

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60 Landlord under British India who collected revenue on behalf of the British government. They lived like nobles.
since they mostly spoke only Kannada. So I had to develop a different strategy to conduct interviews. Until April end, I was shuttling between Gujarat and Karnataka which also did not let me concentrate fully on the latter to validate certain findings of Gujarat before firming up the field report.

The strategy thus adopted was to travel to various regions but respondents had to be big farmers who would often converse in English. With the exception of Mangalore and Shimoga, in no other district could I interact with small farmers as a result of this constraint. Finally in May I organised myself and chose the districts to visit in Karnataka. Bellary, Coorg, Mangalore, Mysore, Mandya, Shimoga were the districts where I conducted interviews with farmers, academicians, local businessmen and political activists. This I felt was important since north and south Karnataka show more difference than similarity, so concentrating on southern districts alone would have meant losing a part of the real picture. Hence, I decided to cover a larger geographical area. Also KRRS which was more powerful in northern districts like Hasan, Dharwad and Shimoga in the ‘80s has lost its influence there and its operation is limited to the southern districts of Mandya and Mysore a present. This was one of the core issues in my study to understand what has changed for farmer lobby in the past two decades. Hence, I attempted to travel across the state to gather region specific information. But since this was my last state, the number of interviews I managed was the least amongst the three states. Given the wide availability of literature on the state unlike Chhattisgarh where I was relying on my field data mostly, I was not compelled to increase the number of interviews. By then, I had also matured on field and could identify patterns. In writing the chapter on Karnataka, extra care was given to explore literature to address any gap left due to lesser number of interviews.

3.3.2 Factors in favour and not so much in favour
Life is a mixed bag and so did fieldwork prove to be. A question raised prior to fieldwork was what does being an Indian mean for fieldwork? Now I am in a position to answer. In my case, being Indian created a congenial condition since access to local people, small suppliers and political cadres was possible; developing trust with respondents was fairly quick. The only hindrance was bureaucrats who seemed a bit wary of giving out information, especially when they heard of my JNU background. The fact that I could fluently speak in Hindi and English was helpful in capitals and districts, but at village-level, not knowing the local dialect did become a constraint. Being an Indian, I was also conscious of expected social decorum, familiar with caste and other social structures, and have grown up seeing patron-client relations. So both identifying
and understanding them was easier for me than for a foreigner. At the level of village, being an Indian woman wishing to interview or talking to men was not easy.

I met some marvellous people in this journey. Travelling across 24 districts of my own country has been eye opening, challenging, disappointing and invigorating at the same time. In Raipur I had some old colleagues and met some new people like Balram, a social worker who helped right through my stay. A brief interaction with few activists and a veteran politician in Bilaspur and Korba was special in more ways than one. Their work was hard as they were trying to reach out to tribals settled in distant corners of the state. Yet their determination was admirable. The two days I spent with the old politician taught me more about life than politics. Over several cups of tea, his interview stretched from noon to evening. Then he insisted I visit some of his co-workers. In the tense environment of Chhattisgarh, these people had an undaunting attitude to bring a social change which was uplifting.

In Gujarat an old man who escorted me to two villages was a big support. He would talk to me about what has changed in Gujarat; and handed me a file of numerous newspaper reports on state government, politics, agriculture and people’s movements which were his collection. He understood my work and took it seriously, something that is rare for a social scientist to expect working in Gujarat. In that state people value money and have a protestant ethic. In fact, this is the only state where several respondents asked for money in lieu of their interviews. In fact a lady told me that she would spend her time getting me an interview, but what does she get in return? There was a research institute close to my residence which was my haven while I was living there. Dr Hirway was very kind in allowing me access to their library. The institute library was a good beginning point, the researchers provided their perspectives and later she invited me to their conference, organised almost 5 months after I left the state. Its proceedings and papers were invaluable source of information; thereafter I interviewed three persons from this conference. My aunt was the greatest friend I made during fieldwork, who took wonderful care of me throughout the entire period. She encouraged me to work harder and looked after both my looks and health, essential for my wedding due in three months.

In Karnataka, a technocrat was my anchor. When language acted as a barrier and access to information seemed bleak, he rescued me at least on three occasions. In his busy schedule, he

61 Here I met a lady who was working on tiger preservation, not a journalist or activist like the other stakeholders.
made time for me. His interviews would begin with him asking me questions. Directly involved in policy formulation, he offered an insider perspective, while as an academic he was analytic. Whenever I got stuck, or could not find any new respondent, or was dwelling upon a single perspective of a politician, he would give some clue to move ahead with my work. He helped me immensely in understanding the ground realities of Karnataka, by offering readings, providing contacts and updating his interview twice.

Being a woman was a boon. Most respondents did not feel threatened by my presence so interactions were easier. The big farmers, traders and businessmen took pride in sharing their achievements which invariably were important findings for me. I kept a naïve face and then information came out smoothly. This was the case except for three occasions. The first occurred only two days after reaching Raipur. On 2nd August (2011), I went for a morning walk with my father. A man crossed me on a bicycle and tried to grab my buttocks. I took it as the local population’s reaction to my foreign presence. This happened at 8 a.m. in Mowa, Raipur on the main road of my rent-in apartment. Two months later, I had an interview with a coal transporter. This man turned out to be almost abusive. With his hands on my thigh, he was trying to make most of his female companion. His thought process as he expressed it was I should be perfectly fine with his behaviour since I am a woman and that too urban. Almost three months later, I went to conduct interviews in an institute in Gujarat, where I decided to spend the night at a senior colleague’s residence to carry on the work next day. This was the only night I spent in someone’s house in my entire fieldwork period. Otherwise I have always lived in rent-in houses or booked hotel rooms. In the evening he tried to take advantage and made repeated passes. Eventually, I explained to him that I was not interested. Whole night I was awake, scared and apprehensive and with the break of dawn, I left his house. I took the first bus back to Ahmedabad. These instances tell me being a woman may work to a disadvantage while pursuing fieldwork in both urban and rural India. In fact, men pick the wrong signals since we opt to travel to distant places on our own. This has a potential to curb women from pursuing fieldwork, which affects both at individual and collective levels. But the experience from these instances made me more cautious in the third state where such encounters were successfully avoided.

3.3.3 Limitations
The information gathered from political cadres and social activists did not always find a third confirmation. Like someone told me that the Colgate Company sells powdered bone, and he said
it in earnest. But to use such information as fact would be stupid on my part as a researcher. He was a miller in Rajkot and was a store of insider information. He has also been in the market for past thirty years so has an insight into post liberalisation transition. But everything he said did not carry equal validity and it was hard for me to judge them. In a few instances I have included such information into the thesis expressing my doubts alongside.

Coming to small farmers, access to them was hardest since I was living in either cities or towns. Language skills were also an obstacle. In Karnataka I could hardly interview small farmers as they spoke only Kannada which I do not understand. The only exception was Mangalore where I had a translator with me.

One limitation that my work suffers from is the lack of a female perspective. Despite being a woman, I hardly interviewed any women, though women are engaged heavily in agriculture. This bothered me all through. The reason was lobby politics, ruling classes and political party have an overwhelming presence of men occupying positions of power. Even activists, senior bureaucrats and journalists who worked with farmers were inevitably men with rare exceptions. With exception of few academicians, one bureaucrat and very few zilla level representatives, I encountered only men. Even when I visited villages and met women working in agriculture, I could not get much information from them since they had limited experience in local institutions, so unaware of power dynamics, so I wilfully did not interact with them. In hindsight I realise women do not occupy power positions in rural India, and even if they do, their male counterparts exert the real power in many cases.

With the thesis taking shape, the accompanying circumstances (clothes, body language, car and phone brand, behaviour) have come to depict as much as what the respondent said in his/her interview. Their clothes, gestures, language, location, how the house looked, who were their comrades, all come together to tell a story. For instance a farmer came to meet me in the car of a local Member of Legislative Assembly. This made me realise his political clout, which party he was close to, what his ideological position was. Though these were not mentioned in the interview, these are crucial in developing his profile. This thesis thus relies on ‘thick description’ i.e. not just stating what is observed but elucidating its context to make it meaningful, for the same action can mean different things depending upon the setting (Geertz 1973). Informal resources like conversations are relied upon as these help in assessing the impact of changed
circumstances on collected data and either offer new perspectives or point out fallacies in data collected.
Chapter 4

Chhattisgarh: New state, new opportunities but for old elites

The state of Chhattisgarh was carved out of Madhya Pradesh in November 2000 as part of a state-re-organisation. It was more a decision of the national political parties than driven by the struggle for separate state under Chhattisgarh Mukti Morcha (Berthet and Kumar 2011, Tillin 2013). The basis for its formation was argued to be its high proportion of tribal (adivasi) population. However, arguably, it was the concentration of natural resources that fostered the need to make it into a political entity, so as to facilitate economic access (Berthet and Kumar 2011).

4.1 Literature review
Literature on the state is limited primarily for two reasons - it is a relatively new state, prior to which it was not paid due attention owning to be a part of a larger state Madhya Pradesh and Maoist activities have rendered it difficult for investigation.

4.1.1 Regions within the state: Plains vs. hills
Geographically, Chhattisgarh has two regions—hills and plains. The hills region is chiefly inhabited by the tribals, while the plains by the non-tribals, consisting of OBC and other settlers. (See map 1). Scheduled tribe dominate the regions of north and south which are primarily hilly, while the central districts which physically constitute the plains are inhabited by the backward classes and other communities.

The plains is the most developed part of the state, and has been attracting the highest level of investment. In the last decade the state has seen a 10 per cent economic growth-rate and consistently maintained its position in the top five fastest growing states. It was third among the Indian states in 2007-08 in getting investments and slipped to fourth position in 2011-12 in attracting FDI with a fall in total (domestic and foreign) investment in the financial year (Indian
Express 2008 and TOI 2012). Backward states like Orissa and Chhattisgarh have emerged as real competitors for the old big players, like Gujarat.

The arterial Howrah-Mumbai railway line passes through Bilaspur (headquarters of Southeastern-Central railways) dividing the state into the northern and southern regions roughly, with the more developed parts of the state located in the immediate north and around this famous line. The southern districts are under-developed and also have had severe Naxal disturbances and faced state oppression in the last decade. Naxals are also very active in areas of the neighbouring states of Andhra Pradesh and Orissa. The State apparatus has limited access to these parts and even food supply and government schools are few and then there is Abujmarh, a place where neither is available (Guha 2010). It operates as an autonomous region in statelessness. Lately, the government has tried to reclaim this area through military intervention, under Operation Green Hunt.

**Figure 4.1: Chhattisgarh – districts visited and regional divisions**

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62 The amount was Rs 17,671 crore (6.2 per cent share) in 2007-08 as compared to Rs 2,365 crore earlier, as part of MP.

63 A programme taken up by the Indian government in 2009 to cleanse the Maoist groups from the affected states. Paramilitary forces were used, and the state governments also provided their forces.
Total population of the state is 26 million. One third of them are tribals, 11.61% are SCs and the rest are other communities, including OBCs (Census 2001). STs and SCs are concentrated in the northern and southern regions. The Northern region includes Korea, Surguja, parts of Bilaspur, Korba and Kabirdham and the southern region constitutes of Uttar Bastar-Kanker, Bastar and Dakshin Bastar-Dantewada.

4.1.2 Sectoral distribution: Quick shift to service sector
According to the available secondary data on income and livelihoods, the per capita Net State Domestic Product (NSDP) in the State was Rs 12,476 in 2001-2002. The per capita NSDP has increased at an average rate of about two percent per annum, (at constant 1993-94 prices) since 1993-94, and by 11 percent in 2009-10. As given in the table below the primary sector’s share has fallen by 20 per cent and the tertiary sector’s share has more than doubled form 2001-02. The shift in population employed in primary sector has decreased marginally by 1 per cent over the period.

<table>
<thead>
<tr>
<th>Sector</th>
<th>2001-02</th>
<th>2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>38</td>
<td>18.65</td>
</tr>
<tr>
<td>Industry</td>
<td>38.5</td>
<td>31.74</td>
</tr>
<tr>
<td>Services</td>
<td>24</td>
<td>49.61</td>
</tr>
</tbody>
</table>

Agriculture is the predominant occupation in Chhattisgarh with 80 per cent of population engaged in it. The central plains of Chhattisgarh are referred to as the 'rice bowl' of India. Paddy is the main crop. Crops like coarse grains, maize, wheat, pulses, oilseeds and groundnut are cultivated on a large scale. The region has abundant capacity for cultivation of fruits like mango, banana, guava, apricot and other varieties of crops and vegetables. Nevertheless, on the composite index of food insecurity of rural India, states like Jharkhand and Chhattisgarh are found in the ‘very high’ level of food insecurity (United Nations World Food Programme, Vijayshankar 2005). Minor forest produce like lac, tendu leaves (tobacco), bamboo, honey, sal, seed, etc. contribute to the state's economy. The government claims to pay special attention to boost the use of irrigation facilities in the state but area under irrigation is as low as 29 per cent (2010-11) against the national coverage of 46 per cent. In practice, irrigation is available to a few
villages as a result monoculture prevails in most of the state (Bhakar et.al. 2007). In the plains 43 per cent of cultivable land is irrigated while a mere 5 per cent in southern tribal districts and 11 per cent in northern districts are irrigated. Women play a role in agricultural production, e.g. the traditional methods of removing husks are common and often done by women. Women also take a lead in gathering forest produce used in households and sold in nearby weekly markets.

Food crops continue to dominate the cropping pattern in the Chhattisgarh region occupying 77 per cent of net sown area (GoI); Kodo-kutki (a millet), primarily grown in Bastar region and maize are next in line. Soybean and sunflower cover about 100 thousand ha. The kharif crops grown here are paddy, urad, arhar, jowar and maize. The rabi crops include til, alsi, moong, mustard and gram. But kharif crop (summer crop) forms the main source of income. Collection and sale of forest produce and other forest-related work supplements meagre agricultural incomes for STs. Crafts form another sources of income.

Difficulties for agriculture include a consistent fall in water table. Employment within agriculture is poor in the sense that an estimated 87 percent of the labour does not find employment all year round.

4.1.3 BJP and its political strategy
Raman Singh of the BJP has served a full term as Chief Minister of the State and was in power for a second term during my fieldwork. BJP has been claiming that their electoral victory is a reflection of people voting for better infrastructure - power, water and roads; the election campaign drew on socio-cultural appeals but the main plank used by the party was the 'anti-conversion' issue (against Christian missionaries) around which it consolidated the tribal majority. It used the schools to spread the politics of Hindutva among tribal population (Chatto padhyay 2004). It also seems to be common knowledge that Chhattisgarh has had very corrupted politicians and bureaucrats at the helm. The election commission regarded that the state had partisan state officials (The Hindu 2003). Both Ajit Jogi, the first chief minister of the state from the Congress and union minister Dilip Singh Judeo, representing BJP, have track records of very high rates of corruption. Hence the choice between the parties, for the voters, was like choosing between levels of corruption. The Prime Minister, Atal Behari Vajpayee, supported Judeo. Even before the Central Bureau of Investigation booked Judeo, he not only

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64 They are statutorily permitted some access to forests.
defended him in the Lok Sabha but also justified the electoral verdict by bragging: "Even then we won in Chhattisgarh... because people still have faith in Judeo" (Business Standard 2003).

In this victory, BJP had strong support from the RSS\textsuperscript{65}, which mobilized support among three sections - the tribals, the dalits and the OBCs and even formed a committed cadre base in remote Naxalite controlled areas of Bastar (Jaffrelot 1996, p. 3207). In the 2003 elections, when for the first time Raman Singh’s BJP government assumed office, tribal areas which used to vote for the Congress in erstwhile united Madhya Pradesh, shifted its support to BJP. Engineer (2003) points out that there were BJP changed its election strategy in two key ways. As, after the failure of Uma Bharti to evoke Hindu sentiments in MP elections, the party decided to shift to a more secular and development based agenda, what it terms ‘good governance’ following international organisations like the United Nations and the World bank. Roads, PDS and water were some of the key issues. The second part of their strategy was to appeal to the Hindu sentiments to consolidate hard Hindu votes and in doing so, the party used RSS in a big way; it guaranteed the Hindu votes remained with their camp. RSS leaders had claimed that their work in vanwasi ashrams\textsuperscript{66} in tribal areas has earned dividends. The RSS has been concentrating on tribal areas and working on generating pride in their 'Hindu' identity, though tribals are not Hindus.

Tribals historically are worshippers of nature and are thus not followers of Hinduism. Here there is a similarity between Chhattisgarh and the BJP home state, Gujarat. During post-Godhra\textsuperscript{67} carnage tribals and dalits were used on a large scale to massacre Muslims. As reported, horrible carnage was carried out in tribal areas of Baroda and Panchmahal districts. The Congress has not employed any such organized intervention among the tribal communities and has taken these tribal votes for granted. In Chhattisgarh, which used to be a traditional Congress stronghold, the party lost heavily and the BJP was the main beneficiary of tribal votes. A similar trend can be seen in Jharkhand state, another primarily tribal constituency.

The BJP has now won the state elections for a second term and continues to dominate the political scene. Some key schemes which have maintained the party’s legitimacy among the rural

\textsuperscript{65} It is the right wing, voluntary, Hindu nationalist group maintaining close contact with BJP. The full form is Rashtriya Swayamsevak Sangh.

\textsuperscript{66} Forest dwelling religious centres run by the party.

\textsuperscript{67} Godhra refers to a communal violence which occurred in central Gujarat in 2002 and evidence find that it has support from the state officials and thus a part of BJP agenda (Oommen 2008).
population are: effective PDS, Anganwadi\textsuperscript{68} and holding elections at village and panchayat level institutions while for the urban population, factors like speedy industrialization and mining, urban development in Raipur and Korba and adopting a market-approach have been particularly helpful.

4.2 Fieldwork
The fieldwork was based in Raipur, the state capital where nearly 30 interviews were undertaken. The interviewees covered a range of stakeholders---academics, media personnel, political leaders, farmers, development sector professionals; see appendix 1. From there, I travelled to the nearby districts for interviews. In total 55 interviews were completed, out of which 25 were in 6 other districts. Five districts cover the plain region of the state and have a concentration of big and middle farmers. The sixth one was located in the hilly region of south.

A community which mandates special mention is the Agarwal community. They are present all over north India, and are a dominant trading community like the Marwaris They form core of the capitalist class - mercantile and industrial. Originally from Rajasthan, they settled in the state from the 50s. In their native state, they were traders in cloth and what brought them chiefly to Chhattisgarh, then a part of Madhya Pradesh, was the silk produced in the state. Kosa is a fine-quality silk produced here, which has a huge market all over the country. They initially came as traders and gradually settled in the state. In the 1950s, India was in a nascent stage and laws protecting tribal rights was not in place, neither was ‘Forest Dwellers Act’ operational to cater to the interests of STs. Also, the tribal population was into subsistence agriculture, and had little contact with the market. So the settlers who came to this area, not only took over the trade, but also steadily captured and bought land. Some in benami (assumed name), some from the forest zone and gradually they came to own huge stretches of land across the state. The process of accumulation started with silk trading but was soon diversified in controlling the market of spices, rice, some very precious forest products like saffron (kesar), nuts, etc. So the community has come to exert tremendous control on natural resources of the state and lately has extended its control on mining. The tribal women work as maids in their households.

\textsuperscript{68} It literally means courtyard shelter. The government of India started a programme in 1975 to provide food, and medical facilities to village children to combat hunger and malnutrition.
4.3 Balance of power and lobby politics
This section discusses the class constellation of the state, what their means of accumulation are and their relations with different political actors. Several respondents stated that amongst sectors, agriculture has been neglected and primary industries—those which extract raw materials from nature, e.g. oil extraction, mining—have been offered favourable conditions to grow like diversion of water to industries. This is explicit in government policies and support for primary and big industries like cement and steel as triangulated in different interviews. For example, Jhanigir Champa is a district with 77 per cent of its agricultural land under irrigation (highest in the state), and traditionally a SC majority area. Some of the SCs had big holdings, and in the Rajnandgaon area of the district, there were settlers from Maharashtra called Khurji with more than 20 acres of average land holding. In 2001, the government filed an affidavit that Hasdeo dam located in the district should not provide water for rabi (winter) crops since it would be used for industrialisation overlooking interest of farmers (Mishra Bilapur 2011, Singh 2011). This is also the district which as of 2011 has had 54 power plants approved on agricultural land. The land was used for producing two crops each year over the past decade. With both land and water directed to industry, this has resulted in displacement of farmers. The only ones who can survive under this policy regime are those who can resort to private means of irrigation.

At the same time, agriculture has received 10 per cent of state plan since 200569. To understand the displacement of farmers, skewed water access, seasonal unemployment alongside such high budgetary share to agriculture, it is important to look at the character of the political settlement that operates in the state. It can potentially explain the distribution of resources. The class that controls the economy is the trader class (Berthet and Kumar 2011), fast transforming into an industrial class. The formation of the state in 2000 opened new opportunities in mining and industry. The state apparatus has made land acquisition for corporate projects easier. Laws like environmental clearance, land ceiling or stipulation disallowing buying land in Schedule V areas have been flouted (a lawyer, Bilapur 2011 and an Activist, Korba 2011). New opportunities have been tapped by the existing trader class and surplus generated through trade has been steadily invested in industries. The class is chiefly constituted of Agarwals, Gujaratis and Sindhis, with some Bihari Brahmins; this class dominates trade, agri-business, real estate, cement, mining

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69 More than the other two states being studied.
A recent study shows the average asset per MLA in 2013 legislative assembly election for BJP candidates is Rs. 21.9 million which for Congress party is Rs. 174.9 million. The independent MLA has declared assets of Rs. 74.7 million (ADR 2013). 71 percent of candidates floated by BJP were crorepati (having assets worth more than 10 million rupees) and 77 percent for Congress; a sharp rise is noted from 2008 elections when the same were at 22 and 49 percent respectively (ibid). It can be inferred that an infiltration of the rich into political parties and elected positions has occurred. Who they are in terms of class position mandates further examination.

In order to comprehend the ADR data interviews would be particularly helpful. An important group in the dominant class are the Agarwals. ‘The Agarwals are the kings here’, stated Jha (interview September 2011). In the last one decade they have invested in primary industries like aluminium-making from bauxite and coal mining, but not in labour-intensive manufacturing industry. The other ethnic group is Sindhi. They settled in this region after the partition and have been here for more than six decades. They were originally living in refugee camps located in Indore and Nagpur from where they settled in Chhattisgarh. It is their third generation which is now running the business. Respondents pointed out that Agarwals have a patriarchal and non assimilatory life style despite adoption of new technologies. Be it their gender relations or their relation with the adivasis (tribals), they continue to be highly discriminatory and repressive. Along with the national players, international players like Vedanta and Lafarge Cement are investing in the state. They also invest in political elections. They have partners in the state who take care of the business at ground level. Both parties reap huge profit from these projects.

An important person whom I met is Mr Sridhar Wagela. He put me in touch with a few senior officials in the Department of Agriculture and the Seed Corporation. Mr Wagela is a Gujarati businessman who came here 50 years ago. He owns a stone quarry. He is also the Minister. He still has his business in Gujarat and often goes there to attend engagements. Chewing paan (betel leaf), he expressed his disbelief in and disregard towards the Chhattisgarhis. ‘They drink a lot and at sundown, become a source of nuisance’. He was a typical case of how traditional business community has managed to entrench itself into political positions of power that can influence the content of policy. His portfolio is rural development, but he belongs to the industrial class.

There are many families like the Deewans who have lived here since pre-independence while many have come in over the past two decades. I met them in Raipur, they are into diamond business and also have several petrol pumps and own land all over the state. They have contact with ministers and rice millers.
Clearly, these are conflicting interests, where the motive to secure profit is most crucial. He also has the ability to influence policies to realise such profit motives; similarly, high profile ministers were most often businessman who entered politics after the formation of Chhattisgarh state. They are the most important ministers and still pursue their business. A journalist, Alok Sahu argued, ‘they have shares in all upcoming power plant projects. So when they are the decision makers of agricultural policies, the policies are bound to be against small farmers, as it is in their class interest to make land acquisition easy’ (interview: Bilaspur, October 2011). The observed overlap of adjudicator and beneficiary is bound to marginalise the class who is neither.

There are four important political lobbies in the state, as an academic Prof. Reddy indicated; namely - rice miller lobby, sponge iron lobby, big farmers lobby, and mining lobby. The rice millers are not farmers, but are traders or businessmen from Agarwals, Sindhis, Sikhs and Gujaratis communities. They require paddy at cheap prices to process the same. This is assured by the government which procures paddy from Mandis\(^\text{71}\). Government procurement is only done over 3 months a year and limited to kharif crop so for the rabi (winter) crop, the farmers have no choice but to sell to the middlemen or traders. The mill owners receive the paddy procured by government to process it and rest of the year, buy paddy directly from farmers and process it. Hence they have been a dominant lobby till the end of 90s throwing up eminent politicians like Shyama Charan Shukla (Congress party).

Government subsidy allocated for setting up godowns is up to 80 percent of capital cost of the project which has been cornered by rice millers who now own private godowns\(^\text{72}\). Raipur, Dhamtari, Durg Bilaspur, Mahasamund districts together account for more than 50 percent of the rice mills’ daily milling capacity (Chhattisgarh Government) and 896 (60 per cent) of all mills are located in these districts. These are taken on rent by Food Corporation of India (FCI)\(^\text{73}\) and other government agencies to store rice. Those farmers who cannot afford to store in godowns sell their produce right after harvest at the price quoted by traders when supply exceeds demand, hence prices are low. Speculation is in the hands of middlemen who have urban connections and belong to petty bourgeoisie and big farmers, who can wait to sell their produce later. While big and capitalist farmers gain from speculative practices, they are also important to political parties.

\(^\text{71}\) Local market often located in suburb or small towns where wholesalers and farmers sell their produce.

\(^\text{72}\) Government of India has launched ‘Grameen Bhandaran Yojana’ w.e.f. 01.04.2001. it is generally 33.3 per cent of the total cost.

\(^\text{73}\) The FCI is in charge of management of food security issues, so it procures crops and distributes it under the PDS system since 1964.
The reason behind keeping the big farmers happy is their control on rural votes\(^74\). They can garner support at grassroots given their socio-economic power. This is especially true given in many parts of Chhattisgarh feudal order meaning allegiance to erstwhile landlords like the Judeos and Singhdeos (Jashpur and Raigarh) is still prevalent. Similarly in other districts Thakur or Chandrakar seemed to enjoy similar social status vis-à-vis small farmers from lower caste. Hence political parties maintain close ties with them.

Other than lobbying, there were several instances where individuals with proprietary class interests like traders or industrial capitalists (both have a common agenda of land procurement so locally termed as land mafia) have entered into politics and assumed elected government office. The beginning of this was at the formation of state, when the Agarwal family through BJP entered the state cabinet (Berthet 2011). These groups have used the state apparatus to further their class interests. In Bilaspur, a powerful Cabinet Minister wields tremendous economic power. He is the biggest landowner, though the holdings are kept in *benami* (assumed names). His economic power stems from his land holding and trade volumes. But he is a capitalist landlord and his party people engage in land *dalaali* (broker). He was reported to own rice mills and a power plant. He also has the most pompous villa among the ministers. Local *dandia* (a dance festival) posters in cafeterias, put up by small businessmen display his picture, inviting everyone to join the Hindu festivities.

More evidence on how political power is used for economic gains and as a source of accumulation was found in the case of another Minister of the State. He comes from a tribal district which is the hub of industrial growth and mining in the state. He is regarded as a symbol of the common man; a tribal and political worker when he originally fought elections. But as of today, he owns lands in the heart of Korba, the industrial hub of Chhattisgarh. He also has a rice-mill and has recently started a 500 mega-watt power plant. Politics has acted as his source of accumulation. He is a favourite among small farmers. He maintains a huge rest house in Raipur where food is prepared for 100 to 200 people each day. Whoever from his constituency visits Raipur is welcome to eat at his place, free of cost. There is also an arrangement for spending the night in the rest house. As a villager narrated the story, this helps them a lot when they have to go to Raipur for any work as it is expensive for them to rent a room or eat in the capital (Korba September 2011). This is a case of patron-client relation among politicians and common people.

\(^74\) Instances which show that have been elaborated in later sections.
In Jivan Haran's (CPIM) President interview, he argued that the rice mill lobby has lost a part of its authority over the last few years. This is because a kind of monopolisation has set in with the Raipur millers exercising greater control on the rice trade. The smaller millers are now forced to sell their produce to Raipur millers. The government has refused to allot single wagons in goods trains to the small millers and so they cannot transport their produce to other states. This has brought down their capacity to negotiate for higher prices, or sell their products in the deficient states. Only that miller who can send a truck full or train wagon full of rice, can now trade. So the Raipur based mills that have higher capacity and modern machinery control the rice trade. He suggested, this monopoly has made these mill owners effectively partners to the government, instead of a lobby. Dinesh Deewan (Raipur July 2011), a petrol pump owner and politically well-connected businessman confirmed the trend in the state.

There are two other lobbies operating in the state- liquor lobby and mining lobby. It can be inferred from different interviews that the origin of these capitalists was trade. Interestingly, despite operating as lobbies, their interests are actually overlapping. The rice-mill owners or their kin are fast investing in mining and power plants. A mining company owner was reported to have stakes in real estate.

One common interest pervades different lobbies/fractions of capitalists: keeping wages low by maintaining a pool of underemployed labour. Agriculture continues to work as a bargain sector providing labour for industrial sector (Chakravarty 1987). This is why transfer of small farmers into secondary sector, as unskilled and semi-skilled work force has been important, though the tribal population have not taken to the market ethics entirely and are still unwilling to part with their land. This is an objective which the state has to ensure through its policy. It was reported that small farmers have been steadily selling their land to industries, given unfeasibility of small-scale agriculture. As a senior technocrat and agriculturist stated, to remain in agriculture, ‘the best position is that of the labourer; he does not have to worry about resources and profit; just take his day-to-day payment which has steadily increased in the last 4 years’ (Raipur September 2011). Interviews with tribal small farmers did not reflect a similar disdain for agriculture despite all the problems they were facing. Tribals did display eagerness to hold on to their land for cultural and emotional reasons. Migration has been on a rise in the state, particularly so from Champa district. But from tribal districts, it is seasonal migration more than permanent migration. To
quote a businessman, ‘for every festival in the village, adivasis run back and overstay’ (Raipur August 2011).

It is important to mention that coping with labour-irregularity was the stated reason for mills fast taking to machines. In a conversation with a mill owner on phone, he informed that keeping workers has become increasingly difficult. Tribals are not good workers, as they continue to run back to their villages. Despite their moving to cities they are only interested in seasonal employment. Once they earn enough for a few months, they go back to the village and enjoy that money. Only when the sum is spent, do they come back to cities. Also, they are deeply engaged in community life, so a marriage or funeral means involvement of the entire village. So for all such occasions, they leave their jobs and go back to the village and stay there for a month, or as long as the ceremony lasts. So this has made labour flow erratic, and keeping them in work increasingly difficult. As a rice miller said ‘villagers are migrant labour and as such leave every three-four months and are irregular. So we are trying to use machines, which are being imported from Thailand, Japan and for best quality, UK’ (Raipur August 2011). They have been in this business for 35 years and about three and half years ago, they started a new mill. They supply within the country, while the basmati rice produce, which is exported, is sent to export houses where they are packaged.

In other interviews, dominating lobbies which had recurrent mention were rice millers, the big mining and the sponge iron lobby. According to media personnel these lobbies are not distinct identities, neither do they represent different interests. The owners of rice mills and other sectors are the same or kin. A power plant owner’s brother heads the current Rice Millers’ Association in the state, which operates as an organised pressure group on the government. A Doordarshan reporter whom I interviewed told that the rice millers return only 25-30 percent of the paddy given to them for processing by the state granary, whereas on average 65-67 percent ought to be returned. Government personnel have no authority to question them since they are kin of the politicians, if not owned by them. The presence of such influential leaders who carry their class interest into the party probably explains the government's soft treatment of industries and support for land grabs. It is gainful to be in politics directly or indirectly. The financial gain of elected MLAs reflects in the following figure. In 2008, 22 MLAs who owned average assets of Rs 12.7 million when re-elected in 2013, had assets of Rs 31.6 million on average. Hence the

75 I met a junior bureaucrat who shared the same experience. Instead of rule-abiding they are expected to obey the politicians to remain in office.
average asset growth is of 147 percent (ADR 2013). Association with such leaders must be rewarding.

4.3.1 Inter-linkage between various stakeholders
This section brings out the inter-connection amongst different propertied classes, operating at different levels of the state administration. I was informed that the owners of a corporate group in Korba district, who live in New Delhi maintains close relation with political bosses at the union level. Owing to extensive mining activities, agricultural land of the district have been diverted, more is in process of acquisition and several have fallen barren or reported poor fertility owing to pollution and inappropriate disbursal of industrial waste (activist, Korba 2011, PRIA 2010). Given that the only skill of these local inhabitants is agriculture, losing their land has translated into loss of livelihood forcing them to work as labourers in other’s agricultural holdings or nearby towns (Mishra October 2011 and Dixit September 2011). The private company is mining more coal than permitted, as found out through an RTI (Right to Information Act) filed by a local environmental activist. The same government which sets the permissible limit of coal extraction per year has given an award to the company for highest extraction, which is above the stipulated limit. The political connection of the company is such that exploitation of natural resources and flaunting of rules are overlooked by bureaucracy.

Jha was a key informant for my first field study conducted in Chhattisgarh in 2009. He was introduced to me through a very reliable source and thus depending on his information seemed acceptable. He informed that to get each contract he has to pay the ministers, even fly to New Delhi to bribe central government ministers. These ministers then recommend the particular coal company to be given the contract. There are officials in different companies who also give kickbacks as commercial contracts in lieu of bribe. There are some exceptions, but they are rare. He mentioned another company dealing with rail parts, a Rs.7 billion venture. He is trying to keep in their good books to get more contracts. By 2011, Jha had bought three houses in government housing schemes which he showed me, one in the Lower Income colony and one in the Middle Income colony. He emphasised that in current society, the boss\textsuperscript{76} is the businessman and he wants to be one. His interview provided evidence on the close relation between petty bourgeoisie and capitalist class on one hand and between capital and political leaders on the other, which forms the bases of undue accumulation by few and exclusion of competitors.

\textsuperscript{76} He was a man who showed me around at Korba and did uncalled for gestures.
About the impact of the industries and mining on nature, they have resulted in drying up of the natural streams and lowering of the level of the water table, creating acute water problems in the villages reported environmental activists in districts of Bilaspur, Raigarh and Korba. Parashar (2010) in his study finds similar environmental hazards caused by methane mining. The health of soil has deteriorated in the villages around the mining area in Raigarh and Korba owing to presence of fly ash in the area and little effort from the companies to follow the environmental regulation. The disposal system of coal ash is also ineffective, so it has been steadily contaminating the water bodies. Through water bodies, toxic contents have entered into the crop cycle; it is also used by cattle and households. So mining is playing havoc with the day-to-day lives of the local inhabitants, particularly in Champa and Korba districts. Environmental concerns are very high among civil society organisations who are addressing it through writing in newspapers, filing RTI etc. (Sharma 2011, Purohit 2013). Similar observations were made by a woman lawyer who has been filing public litigation for the local people and against private companies to get compensation for former and challenge the latter on environmental regulation violation. This is a possible cause for the crisis in agriculture leading to migration out of villages in search of employment as observed by local respondents (two activists, Bilaspur and Korba August 2011). The migration was seasonal as an old big farmer reported.

While acquiring land, these industries had promised employment to the villagers, but very few have received the same. They are presently working as daily wage earners and none have been employed on the regular pay roll of the company. The officials claim that they are unskilled and lazy, so employing them would be a burden for industries. There are no industrial training institutes, so transition for the huge masses of agricultural labour to skilled labour force capable of employment in the secondary sector is rather difficult. Most labour used in mining sites are from the other states, especially Bihar and Jharkhand. Another observation was that with numerous peasants losing land, which is significant given the tribal lands fall under statutory non-alienable Schedule V areas, new pools of labour is being created who are not being absorbed in skilled and formal employment. It is resulting in casualisation of labour who cannot continue with agriculture any longer either due to loss of land or poor productivity of land owning to release of chemical waste in water bodies. The respondents argued that the small farmers are

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The primary objective for their production is for self consumption, and given their poor connection with suburban centres, they are quite removed from the market.
facing increased hardship due to these factors (three interviews: tribal farmer Korba 2011, non-tribal farmer 2011, senior official Bilapur 2011).

In June 2011, a minister’s son was reported as acting as dalaal (land broker) for Videocon, an electronic company (TOI 2011). Being a tribal, he transferred tribal lands to his name and then sold it to Videocon. This was reported being a high profile case and a big scam, but this seemed a common system of land acquisition; in fact, Bilaspur and Korba have hundreds of such agents (Pramanik Bilapur 2011, Shukla Raipur 2011, Dixit Korba September 2011). They have moved from rural to urban areas, and started a shop or small business in the town. But they work as dalaal providing information on land to big companies, acquiring land in pieces from farmers and in turn selling them to big corporates. They often have connections and kin in such villages whose land they buy. On need, they also negotiate prices on behalf of companies. The petty bourgeoisie acts as an ally to the capitalist against the interests of his fellow community people. Their motive is own accumulation and securing a permanent job in the companies. For this, they offer inroads into village land and put the small farmers interest at stake. There are also cases where the sarpanch (headman) acts as a dalaal, since he has connections with the higher authorities and wants to make most of the opportunities the market has brought in.

4.4 Classes within farmers and their caste identity
An objective of my study was to understand the different classes of farmers which operate in the state before analysing their political connections. Theoretically, and in line with classic Indian agrarian analyses, it was suggested that this was best done by focusing on five main classes. Two respondents were particularly helpful in historicizing this in the Chhattisgarh context: a renowned academic scholar and member of the State Planning Commission and an eminent newspaper editor. The following draws on their analysis, field interviews and the few secondary sources available.

4.4.1 Landlords
It is well established that no systematic abolition of zamindari (landlordism) or proper land reform were undertaken by the Madhya Pradesh government. Field interviews reconfirmed that the ceilings were never adhered to seriously. One example of this is the Raigond landlords who continue to hold major landholdings. The Raigonds ruled over tribal villages in Bastar and Jabalpur in pre-independence era (Durgavati is its ancient name). It is their dominance which

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78 These categories of farmer are often uneducated and unaware of paperwork.
gave this region the name ‘Gondwana’ (Varma 1995). They originated from Rajasthan and settled in Chhattisgarh via Madhya Pradesh. In post-independence India, they sent their younger generations to colleges in New Delhi and even to foreign universities to study, like the Kanker royal family sent their children to Delhi University79. They have been successful in Indian Administrative Services exams. This is thus another community which became part of the urban intelligentsia and bureaucracy. The landlords (feudal lords of princely states) have entered politics, diversified to business and, as said, also continue to hold big landholdings.

More generally, in this region, the pre-independence landlords were called Gotias and consisted of thakurs, kurmis and a few satnamis (SCs). The farmers with big holdings from within these castes have shown upward mobility and engaged in urban migration since independence, and flourished in the past two decades. Thakurs is one such caste which commonly has big landholdings. It is said locally that they migrated to this region over the past 100 years from Madhya Pradesh and Rajasthan. They now commonly use surnames like Singhdeo and Judeo. Originally Rajputs, they command a lot of respect from the tribal population. The Thakurs have entered the realm of politics, as in the case of Dilip Singh Judeo in Raigarh. His huge landholdings stretches from Raigarh to Jashpur, two adjacent districts. His son is at present a Member of Parliament from Congress party, while Dilip Singh was in BJP. So they also enjoy unchallenged political power. The father and son are the kings of these districts’ as a social worker from the district stated. Government jobs and benefits of government schemes are said to come through them through strong patron-client relation. The local state operates on strong traditional hierarchies where the Judeos are addressed as ‘raja’ (king) while at the same time he holds/has held a ministerial position in the central Indian government.

4.4.2 Traditional big and middle farmer
Among middle and big farmers, the common jatis are Chandrakar, Sahu, or Kurmi. It is commonplace for them to migrate to urban centres for white collar work or trade. They fall under the OBCs. In last 15 years, they have been able to tap into the opportunities that industrialisation has brought. In a big way, they constitute petty bourgeoisie but they have retained their landholding and continue to acquire more land. They have also diversified into

government service as they have been able to making use of the caste reservation, opportunities (Tillin 2013). However, they are not decisive in terms of political power.\textsuperscript{80}

In Dhamtari, Bilaspur and Korba districts, the landholdings of OBC big and middle farmers were of better quality and located close to the highway or main road. This gave them better access to markets and towns. Over past three decades the pattern here has been towards better education and then a move to urban areas and getting jobs in the service sector. They have also had a close alliance with the ruling party, especially BJP who used OBC politics carefully and through reservation in state service, gained their loyalty (Berthet and Kumar 2011).

That well-off Indian farmers nowadays invest outside of agriculture is well established. Purav Mishra, a farmer, scholar and political leader stated that today, agriculture has become non-viable hence agrarian surplus is flowing out of the sector, and not been invested in increasing landholdings. Land has been reduced to a commodity. I met him several times since his experience in agriculture was complemented with a robust understanding of politics, having been an active politician himself. He explained that government policy had led to falling returns from agriculture, so farmers opted to move their next generation to urban centres, primarily into the service sector. ‘The first thing a big farmer would do is buy a house in Bilaspur’. He accepted that he himself was not an exception (Interview, Bilaspur October 2011). A similar case of surplus flowing out of agriculture was observed in Dhamtari district. Anand Chandrakar narrated that his family has moved to a town with four sons, about 20 years ago. The four sons gained education and now work in urban centres. Two of them are in government service, one in the police. The family owns 30 acres of land, and falls in the big farmer category. The eldest son has continued to live in the village and farm the land with the help of wage labourers.

Similarly, several local interviewees argued that Bilaspur district big farmers have moved to cities and give their land on lease. Barring those employed in services of Coal India Ltd. and Indian Railways, the rest of the urban population originates from the rural middle and big farmers and traders, explained a journalist (interview: Madhvi Bilaspur, October 2011). They tend to retain

\textsuperscript{80} However, the Chandrakars, who were big farmers and were located closer to Raipur, are said to have managed to build political connections. There are a few ministers and bureaucrats from the caste group who are members of BKS, the RSS farmer wing. This membership is not common in other districts. Like all political parties in India, BJP through RSS has organized different interest groups. This is to provide a specialized support group; one of them is BKS. There is a detailed discussion on BKS later in the chapter.
their holdings and visit their villages periodically to collect rent. The share of crop is 50:50
between owners and cultivators. The cost of cultivation including seed, fertilizer and labour is
paid by the tenant. In some cases, the now city based landowners also employ agricultural
labourers.

I also met officers and professionals across NGOs, ministries and bureaucracies who continue to
own land in villages. The landholding size was above 5 acres for each of these professionals,
going up to 15 acres (Bhakar et al. 2007). They uniformly reported visiting the villages
occasionally to collect rent. From the interviews I conclude that the middle farmers who have
managed to keep their landholding have been able to do so, since they had another source of
income, like government employment in this case. Many of them are now employed in the
service sector and give their land on lease for cultivation (journalist, Raipur 2011). Agriculture is
no longer their primary source of income, although land is an asset which they treasure. They
have moved to urban lives, but continue to retain their landholding. This is also regarded as a
source of power as enjoyed by their ancestors in traditional societies.

The case studies indicate two conclusions: that the big farmers and a few of the middle farmers,
mostly from the OBCs but also a few SCs, have taken on the class character of a petty
bourgeoisie; and that they have access to political institutions, either as officers or through the
political parties. Agriculture has lost its glory given the poor returns, compared to investment
outside agriculture which has become common. Both districts reflect landlord class behaviour
within agriculture as they are not investing in capital-intensive methods nor adopting commercial
crops. The rent from agriculture is an important income source but it is used to gain skills to
settle in urban lives where they seek white-collar and government jobs, thus they are developing
into an old petty bourgeoisie.

4.4.3 Emerging gentleman farmers
The emergence of a kind of new entrants consisting of urban investors was noted. They are
buying farms of 100-200 acres. Often living in Gujarat, Delhi or even Mumbai, they have
nothing to do with agriculture. They buy land as it has been appreciating in great speed in
Chhattisgarh. On paper, they are farmers which classifies a part of their income as agricultural,
thus evading taxes. For instance, one of the biggest tax payers of the state, owner of a Star
Trading House (a major exporter), originally started off as a farmer, not doing self- cultivation.
He continues to enjoy tax relief for claiming a part of his income from agricultural source.
Another businessman, owner of a food chain across the country, claims to be a farmer, on paper, thus availing tax evasion. He lives in Delhi and has invested heavily on real estate. He approached an acquaintance of mine to buy his 100-acres plot in Jharkhand. This urban settled, trader cum capitalist, is a case of a typical Indian capitalist who procures land in name of agricultural purposes and subsequently uses it for other purposes (Mona New Delhi 2011).

Land is an attractive investment option and in eyes of the state, corporate agriculture is seen as a growth driver, given the scale and technology it works with, so state is keen to have these players come in. Monsanto, Reliance, Pepsi and numerous corporates are investing in land for contract farming and using a part of it, at best for agriculture. This is leading to unequal competition in which real farmers, especially small farmers cannot compete.

Tax exemption emerges as the biggest concession for the farmers, where big farmers who have moved on to capitalist farming and who are capable of paying taxes or landlords whose primary source of income are jobs enjoy the benefit. Capitalists are also enjoying the perks of the same by procuring agricultural land and showing a part of their income as agricultural. State’s reluctance to impose any tax despite all talks about fiscal discipline is a clear indication of these classes of farmers being a part of the political settlement operating within the state.

To summarise, big farmers are surviving by resorting to other means of income like input retailing, money lending etc., middle farmers by gainful employment in public sector and it is the capitalist farmers who are the main gainers of present policy. Big farmers’ are thriving by extracting surplus from small and semi-medium farmers who are facing severe food insecurity (World Food Programme 2008). The ST constitute 50 per cent of the poor people despite constituting only 33 per cent of the population showing the steep deprivation among them (ibid). Based on police stations records, the Chhattisgarh Kisan Sabha has reported that the state has had nearly 9000 farmer suicides, over past three years. Nagraj (2008) ascribes a critical character to the agrarian crisis in the state with small farmers as severely impacted.

4.5 Key Issues in Agricultural Policy
Chhattisgarh is claiming to be a farmer-friendly state. The highlights of the state’s agricultural policy since 2006 has been

➤ Intensive Agriculture

81 This was reported to me by a close family friend who happens to be living the the same neighbourhood as the capitalist. she has also visited his orchards in different parts of India.
Modernisation of Inputs and Technology

Adoption of cash crops, especially horticulture

Rice procurement from farmers at MSP (Minimum Support Price)

The state's Agrovision 2011-12 lays down that seed, fertilizer, pesticide, irrigation, transport to market, credit are key to furthering growth in this sector and shall be concentrated upon. The three schemes of the government had been 'bonus of Rs 270 to the farmers on procurement of one quintal rice.' 'Chhattisgarh is a power-surplus state so providing free supply to farmers' and 'giving concessions to farmers in digging tube well' have also been on the agenda. It would be pertinent to mention that except the first one, the other two were started by the Congress government and continued by the BJP. No bonus has been distributed in three years of the BJP rule as reported in 2011. Moreover, with steady transfer of public water resources from agriculture to industry, private resource of water has become the only alternative available to farmers.

The government runs societies at village level which are entrusted with the responsibility of supplying seed and fertilizer to farmers at a subsidised rate. This is supposed to reach the villages in April. The procedure is that farmers place their demand village-wise and on the basis of that inputs are allocated. The only condition is that one cannot be a defaulter in credit repayment to get these facilities. As a state official stated, the borrower farmers are first given seeds and fertilizers. The two conditions, borrower and non-defaulter, make the big and middle farmers the only ones eligible for government supply. As reflected in interviews across five districts by small farmers, supplies reach the societies late, by which time the crop is ready to be harvested. As a result, the farmers are left at the mercy of the market to save their crops. They then take loans from the seed and pesticide dealers who thereby become a claimant to his produce. Fertilizer comes from the Centre and other states and is sold in the market. Urea and Potash, two most commonly used fertilizers, are not produced in the state. They are imported from other countries or states. So demand is much more than supply. The state government has been arguing that the shortage in fertilizer supply is caused by the Centre’s disapproval of the state's demand and it has no decisive role to play. But two points should still be noted. First, the disbursal is the responsibility of the state government which it is failing to meet and secondly, non-availability from government sources means having to buy the commodities from traders. Small farmers are often fooled by these traders, and sold excess inputs than required. As already discussed in section 4.3, government procurement from the paddy farmers is limited to 3 months. For rest 9
months, the farmers are dependent on the private buyers, who buy at less than the MSP price. This acts as a disincentive for growing rice in kharif season.

In pesticides the government is even less involved and does not give any subsidy. They have privatized the distribution and both national and international players are doing well in capturing the market. Companies like Dupont have opened a new centre in Raipur after Punjab, Maharashtra and Gujarat. It has also had the highest sale in the state in financial year 2010-11 showing the expanding market for agricultural inputs. Another company which has spread in last one decade is Union Carbide. The lab to land extension work is in the hands of the MNCs but they work in close association with university and government departments. The cream of fresh graduates from agricultural universities are absorbed by MNCs who then do an MBA. They work as well-paid employees trying to maximise sales of the company (Mishra November 2011).

Government tends to patronise the small farmers through false promises. In last elections, Raman Singh promised Rs 270 to farmers if he won the elections and free power-supply in the form of 5-horse-power pumps. But once election was over and BJP was back in power, the government made the usage chargeable. The pump set was distributed for free, but beyond 6000 units, the usage became chargeable. 6000 units cover about 45 days usage. So beyond that, farmers now have to pay Rs 2000 per month for electricity usage (Technocrat, August 2011 and zilla panchayat member, Dhamtari August 2011). So the government has gradually receded from surface irrigation investment leaving water supply for agriculture in private hands, resulting in water supply in favour of those who can afford it.

The government officials’ interviews were most often repetitive and procedural. They were unwilling to divulge ground reality and any shortcomings that government has had. He possibly is bound by his official position, as Mr. Kumar said ‘from this chair, I can say no more’ to any question asked. They provide a rehearsed official version of the processes. But one thing that was stunning, as mentioned above is the understanding of a 'kisan/farmer'; Mr. Kumar mentioned again and again that kisans now face a lot of problem in getting labour. They ascribed the new negotiating power of labour to NREGS which has given them other opportunities to earn money. This is affecting farming in this state. In effect, only those who employ mazdoors/wage labour in his vocabulary are ‘farmers’, and he was concerned with the limitations this class is facing in cultivation. An official I spoke to, viewed rural social structure as a dualistic
one, classified into farmers and agricultural labour. Anyone who tills his own land and also works as agricultural labour did not qualify as farmer in his categorisation. So small farmers were unimportant when it came to discussions on the future of state agricultural policy.

When this is the understanding with which the state officials operate, then state energy and help in agricultural extension services are bound to remain limited to the big and middle farmers alone. They spoke about growth and diversification in production. In his language, ‘for agricultural growth efforts have been directed to farmers who can afford such a change. Small holdings of 2-5 acres cannot boost agricultural growth’ (Raipur September 2011). They also have poor credit-taking capacity and hardly have resources, so try to stick to traditional crops, which involve lower risk. As a senior official mentioned, ‘small farmers are reluctant to change and it is very difficult to initiate them into crop diversification’. Having spent 15 years of his life working with the big and middle farmers, to assist and encourage in adopting hi-value crops, he maintains family-like relation with the big farmers where he was in service. He blamed NREGS for the rise in wages —up to twice of the rate only a couple of years ago— for all difficulties faced by farmers. Under the scheme, Rs 125 per day, with 100 days of work has been assured for the rolls. As a result wage labourers are demanding Rs. 80 to 100 per day for agricultural work. Big farmers are finding it difficult to sustain agriculture since returns in agriculture have not gone up proportionately, and higher wages are eating into their profit margin. The solution as he envisioned lies in adopting appropriate technology which alone can save the farmers. The overt faith in technology was seen among other technocrat as well, depicting a certain direction in which agricultural policies shall be directed.

4.6 Monopolisation of land and natural resources

Land is central to tribal lives and livelihood and the reason of formation of a different state for them, one would expect, would translate into protection of tribal land rights. But the past thirteen years have seen an overt emphasis on industrialisation like mining and cement, both having intensive land usage causing the tribals face displacement and threat to their livelihood. An ex-minister of Congress party made a point repeatedly that the industries in Chhattisgarh were of primary nature. There is no effort to develop secondary or downstream industry. The industrial class is just interested in exploiting natural resources, primarily land. These concerns were reiterated by a senior journalist and veteran politician.

He added

Mineral lobby or coal mafias are outsiders and their approach to the state’s minerals and people is the same- one of exploitation like the British colonialist.
Industrialisation in the state should wait till the tribals can be beneficiaries. They can participate as equals, not as coolies and unskilled labourers. None would listen to me in the government. So the way mining and industrialisation is taking place is helping accumulation and reproduction for the existing industrial class, with further marginalisation of the agrarian labour force who are losing land without proper alternate employment. They are migrating to urban centres to work as construction workers or unskilled labourers. Even in these, they are facing stiff competition from labourers from other states. Women have historically been used by the trader class as sex objects (lived as second woman or prostitutes) and men as coolies and casual labour. They do not have permanent jobs and neither are they shareholders in the industrial development taking place in the state.

An academic also argued similarly. Mining in the state has been directed to exporting raw material rather than using in manufacturing industries within the country. So natural resource extraction has not contributed to expanding employment opportunities or making the economy economically self-sufficient. Originally the Marwari and Agarwal were traders; since formation of independent state they have begun investing in industries but their mentality is one of pure extraction and not long-term expansion. He condemned the policy of Chhattisgarh government for allowing export of the minerals and ores to China, Japan and Korea rather than starting manufacturing industries (Raipur 2011). This found repeated mention in other interviews, particularly by a senior journalist and an academic.

The legal procedures to be followed before starting off a project have been regularly flouted. This apparently goes against state laws, but the government does not take action against such private companies to rectify this. For example, there has been a series of protests against Jindal Group by villagers, led by an environmental activist in Raigarh. The allegation was that the public hearing procedures were not followed and even their clearance for four-million-tonne per annum coalmine was cancelled in 2012 (The Hindu 2012). But the same company has got the right to sell power at a rate chosen by them and to clients of their choice. It is reported ‘the coal-fired power project in Chhattisgarh's Raigarh district is the first ever project in India to operate on a 'merchant power' basis. This means that unlike other projects bound by tariffs fixed through long-term power purchase agreements (PPAs) with state governments, state has given JPL freedom to sell power at spot rates to any buyer (ET 2012). Preferential treatment can also be noted in the allocation of coal mines. Jindal has been allocated the highest number of captive
mines in the last decade which has helped in procuring coal at cheap rates, thus pushing up their profit margin (Ibid). As a government should be allocating mines on basis of competition and also protecting natural resources by ensuring environmental standards are followed. The state is the adjudicator and should do so with an iron hand but in Chhattisgarh it seems to flout laws and stipulations to suit the private companies, the capitalist to ensure fast economic growth. Government officials were reported taking contracts of private companies thus accumulating. It is narrowing the gap between the adjudicator and beneficiary where government officers are coming closer to private companies thus sacrificing public interest (triangulated from a lawyer, Bilaspur, activist Korba and journalist Raipur 2011).

Several interviewees argued that the forest produce market is monopolised by capitalist classes. Over past five decades, they bought land in remote areas, prior to the state formation. Now they have access to forest produce and dictate market sales. In acquiring new land for corporate projects, political cadre, gunda (ruffians) and 23 persons, often panchayat elected members or middle farmers operate as agents of big corporates in buying land. It can thus be argued that a petty bourgeois class has arisen, engaged in assisting natural resource monopolisation by the propertied classes.

In another instance, process of land procurement for mining was revealed. The newspapers in this region have been reporting that a company in Korba had purchased land at the rate of Rs. 100 thousand to Rs. 950 thousand per acre which turned out to be fake figures. I met the farmers whose land was bought at Rs 80,000 per hectare. After a month-long struggle by the farmers under which they even faced imprisonment; the company was forced to raise the rate to Rs. 140,000 per acre. In buying tribal land, the industry used a person from within the village to negotiate for the land prices, and he did so by talking to individual farmers. This is a violation of the legal procedure as price is to be decided collectively. The first to go were those from his extended family. Amongst his kin, he used their trust and took their thumb print (as signature) and sold their land, without giving them anything. In spite of what procedure demands, there was no public hearing and no collective prices decided, till the second phase of the land purchase when the tribals organised themselves and launched a struggle to fix a higher land price. Later, during Public Hearing for the second phase, the company promised to pay the difference in amount to all those farmers whose land was purchased in the first phase, but this is still pending. As of today, the middleman, a middle farmer has got a house in the nearby township and a job in the company. This is especially shocking since there is a ban on transfer of tribal land to non-
tribals in Schedule V area. Prior permission is required from Collector for sale and purchase of such land. This points to the Collector's consent to this process of acquisition.

The middle men are often traders who have entered the land dalaal\(82\) market. They were traditionally exploiters of farmers, and now have joined hands with the industrial classes to facilitate land buying. This is because the profit margin has risen steadily, up to 60 to 100 times over past one decade. Land has emerged as the most lucrative sector. This I realised in overhearing a conversation among middlemen travelling in a local train, who were my co-passengers and later validated by respondents.

When I met a senior bureaucrat, he seemed most loyal to rules. He even agreed that a lot of times, the tribals did not get good deals for their land. It is later that Mr. Mohan informed that the same officer's nephew and son-in-law were both working in private mining companies. He also provided a lot of information on how the bureaucracy has been sabotaging the entire process of 'public hearing', before any new mining or industrial project. This went to the extent that if in a public hearing the villagers refused to give up their land, minutes of its proceedings were not recorded. Soon, another public hearing was called, keeping the villagers uninformed about it, and in the second meeting, the project was passed (Korba 2011). Devyani Srivastava (2008) compiled a number of instances where industrialisation and mining has been forced on the local people, through misuse of the Land Acquisition Laws. Further, land given to Tata in Bastar was classified as fallow which was later claimed back by the villagers since it was their most productive land. The case shows how legal provisions are bent to suit private interest. I went to visit the land in Jagdalpur later in fieldwork. This upholds a picture of gross violation of tribal rights, since land is inalienable from them under the Constitution.

What I commonly observed in Chhattisgarh is how institutions and legal processes are bent, especially the environment impact statement (EIS). In a FGD, many local villagers highlighted how despite six gram panchayats (village council) of Raigarh district, passing a resolution refusing land for the project, DB Power acquired the land. Kohli (2009) writes 'anyone who has seen the fate of public hearings over the last 15 years..... it would just mean adding on to the endless list of hearings which mock at the face of affected and concerned citizens, and find their routine way to the desks of the decision makers.'

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82 Intermediaries who set up land deals.
A elected member of municipality, as reported by two local respondents, takes *theka* (contract) for Bharat Aluminium Company Ltd. (BALCO) in Korba and so does an elected politician and his relatives. When BALCO created a wall which obstructed the public access to the main road, and cut off the villagers shortcut to the town. Hence the villagers had to walk 4 km extra to come to the town which is difficult to do daily. BALCO has a weekly market and they are forced to buy their household goods there. The government remained silent, to protect their (kin, relatives of political leaders and bureaucracy) individual stakes. Close relation between the political class using BALCO as a source of economic accumulation is noted which can probably explain the poor adjudication of laws and sidelining public welfare over individual profit motives. This has given a monopoly to BALCO in the lives of the common people but ensured means of income for local political leaders. Again the overlapping functioning of adjudicator and beneficiary almost defeats the purpose of legal procedures.

The biggest gainers are no doubt the capitalist class, more mercantile than industrial meaning those who are in trading rather than in manufacturing. Politically powerful classes have also gained by taking bribes and attained newer sources of income professionally or through entering petty-bourgeois avenues like contracting. An emergent class of intermediaries, from middle and big farmers, very few from small farmers who have accumulated surplus thus operate. Under neo-liberal policies beneficiaries within agrarian society has been created.

4.6.1 Shutting up the protesting farmers
On the other end, measures are being taken to suppress protests and democratic voice from small farmers. On enquiring why despite such discrimination, protest were few, Mansi Gaur, a zilla panchayat representative informed ‘when it comes to organising public protests, the government is strict and repressive. In Dhamtari, in an event of a protest by the middle farmers, the state apparatus crushed it mercilessly’. The protest upheld farmers’ rights, demanding higher MSP, more subsidy and access to credit. 40 people were put behind bars, out of which many were not even present in the protest (Shashi, October 2011). There was violence, and the farmers have still not recovered from the injuries. The legal prosecutions continue and they are still fighting them. This created a fear among farmers to organise themselves into any further protest groups. This was also a way of suppressing the opposition. The protests were affiliated to the Congress party and felt it was BJP’s form of dealing with them.
But more crucially, Dixit argued that patronising schemes from the government divides the farmers and curbs possibility of forming a unified movement. Such schemes as irrigation subsidy are important to farmers given erratic rainfall and 20 percent irrigation in the state; so they try to keep good relation with the state officials to get subsidy for installing pumps. Hence they are reluctant to be part of a protest (Korba 2011). There are also cases of small farmers being kept under control by giving a few of them election tickets in PRI. After state formation, reservation was made compulsory from ST. For the political parties, it had aided the process of recruiting members at grassroots, thereby dividing the dissatisfied masses. The argument was later reiterated by other respondents in Dhamtari and Raipur.

The movements that are visible today are either sponsored by NGO or is meant to negotiate for higher land prices or better settlement packages, like observed in Land Bachao Andolan (Save the Land movement) in Raipur (Vijendra 2011). Such instances have been observed in other districts, where protests are organised on the issue of land acquisition and once the intermediaries offer higher prices for land, the protest is withdrawn. Such movements are not for sustenance of agriculture or to save land, rather to negotiate for better compensation.

An instance was reported when a woman did dare to report against a state official. During a MLA visit to her village, she informed him that the local bureaucrat did not listen to their complaints and their payment under MGNREGS has been irregular. The bureaucrat threatened to alienate the village from all further government schemes. The next day the whole village along with the woman was summoned to the bureaucrat’s house to apologise and had to meet the member of assembly (MLA) to convey the information was wrong. With prevailing patron-client relations, it is very difficult to create and sustain a movement (Bala Bilaspur, October 2011). A veteran politician observed social movement has lost its steam; ‘it should be like the flame of a lamp, steady but at present it is sporadic, like a sudden flicker’ and only those who have enough to eat can organise themselves and protest. Those who have dearth of food cannot participate in it (activist, December 2011).

The close tie between the politician/bureaucrat and capitalist and the attitude of political class as the patrons on whom common people are dependent in many ways is further marginalising the poor (tribals, SC, small farmers) thereby shrinking the democratic space of protest.
4.7 Credit for whom?
It is already well known that formal credit has seen a skewed distribution in the 2000s with proliferation of private moneylenders (NCEUS 2008, Ramachandran 2011). The state government has introduced loans at 3 percent interest to the farmers. It was used by the BJP in a big way to project itself as pro-farmer and pro-agriculture. In annual celebrations of a reputed NGO, credit availability was reiterated proclaiming the government’s concern for farmers’ needs. But the chief of the same NGO working with farmers stated ‘NABARD figure is 1 million farmers can access formal loans and this is one-third of total farmers given total number is 3.4 million. This one-third is constituted of big and middle farmers of the state. Small farmers who constitute 75 per cent have little access to formal sources. The data shows that 40 per cent of total number of farmers in Chhattisgarh are in debt. The average debt burden in Chhattisgarh is Rs 4,122. Sixty per cent of those in debt are small farmers. Informal sources still account for over 40 percent of the total debt. This high incidence of debt is more to do with non-productive expenditure like marriage, education, travel, etc. (UNDP 2005). This was when use of HYV seeds was not high which has risen in past decade across state, adding production-related expenditure as another cause to incur debt.

As is common in India, small farmers in Chhattisgarh are relying more on informal credit sources. A number of interviews pointed at similar factors as elsewhere why accessing formal sources was hard. The technical details and documents required to avail of a loan is possible only for the big farmers. The banking system, like all bureaucratic procedures, are difficult and particularly unfriendly to the small farmers. They also require a map of their land from the patwari (village accountant) who has to be bribed for the same. The payments are so steep for getting a loan, that it is faster and easier to take a loan from informal sources at usurious rates. Secondly, big farmers have diversified into vegetables and soybean cultivation, so have a profit margin enabling them to repay loans, an important criterion to be eligible for formal credit. Small farmers continue with traditional farming of paddy, which has a profit margin. As interviews with small farmers revealed they barely covered the cost of production, so trying for loan was not viable (Bilaspur August 2011).

But the big farmers from the same district had the opposite experience. They informed me that government system had improved in last 5/6 years and that they had access to all the facilities, including seed. Loan is given by cooperatives and if they are not a defaulter, then it is easy to reapply for loans (NSSO 2005). As well documented at the all India level, also here, a divide
seem to be have come about in last one decade where small farmers are increasingly being pushed to informal sources while big farmers are being protected by assured access to formal credit.

4.8 New agricultural policy and new opportunities for rural proprietary classes: Change in cropping pattern and privatization of inputs
Chhattisgarh is one of the few states which has allocated more than 10% of State Plan resources from the State Plan in recent years as well through Centrally Sponsored Schemes to agriculture and allied sector to increase production and productivity. During 2005-06, agricultural sector received Rs.2247.5 million (6.49%), during 2006-07 Rs.3168.0 million (6.20%) and Rs.8762.4 million (13.66%) during 2007-08 out of the State Plan. In 2008-09, agricultural sector was allocated Rs.12259.2 million (12.08%) out of Rs.10,1463.7 million State Plan. In the first two years of the 11th Plan Period, the State Government spent Rs.21021.6 million for the agriculture and allied sector. It can be concluded that the state is investing to transform agriculture into a high growth sector as Agrovision 2010 document and agricultural policy (2012). The state agrovision document (2010) mentions existence of the big farmers, constituting 30 percent of farmers who will be the drivers of growth. The first phase of green revolution is focused on these farmers, capable of investing in commercial crops. In this light, the question of distribution among different classes of farmers shall be analysed.

The following sections are to understand how the public investment has been distributed among the classes collating the experiences of the respondents, particularly focusing on three aspects: cropping pattern shift, the chemical inputs and irrigation. The picture as it emerges is admittedly, no different from rest of India. Instead of giving new information, it conforms to the picture documented by NCEUS (2008), Ramachandran et al. (2010), Barbara Harriss White (2004,2008) etc. Since most studies are not situated in Chhattisgarh, the evidence suggest that the general trend in India is applicable to the state as well.

4.8.1 Policy induced cropping pattern change: Soybean, jatropha and horticulture
Promotion of multi-cropping has been emphasised in the policy documents as the main tool to achieve the growth. The government is planning a green revolution, better irrigation facilities and higher market access to optimize on productivity. The cropping intensity of the state is 134 percent while Punjab’s is at 183 percent, so this has been seen as a major lacuna by the government. To change this, call for ‘phasal chakra parivartan’ (crop cycle change) was given. This has been instrumental in introducing commercial crops.
Within crops, focus has been laid on high value crops like horticulture, maize, soybean. Other than soybean, til, groundnut, ramtil and urad have also shown increase in acreage between 2006-07 and 2009-10, while those who have lost acreage are other pulses, kodo-kutki, maize and rice (CoG). It was triangulated that the districts situated west of Raipur were more developed in cash commercial cropping than the districts east of the state capital, like Dhamtari, Bilaspur.

Government has been proactive in introducing cash crops, among them exportable and hi-value ones. As mentioned before, the slogan is 'paddy brings poverty' (Menon 2014). Thus to realise the potential of fruit (mango, banana, guava, apricot) and vegetables cultivation. It occupies only 13.41 percent of the net cultivated area invested, but the total income generated from horticulture sector accounts for over 33.83 percent of the total income derived from the combined agriculture sector (CoG).

During interviews with senior officials in agricultural ministry, large scale farming, mechanization and commercial crops were highlighted to break away from the poor agricultural growth and income cycle. One official was rather emphatic that though slow, over 15 years, the farmers have adopted soybean cultivation. They are being taken up through government initiatives like demonstration effect to adopt new technologies and to go for cash crops. The state not only made seeds and technology available, they also facilitated easy availability of loans for the farmers. The farmers who benefitted from these schemes have become capable of buying more land in the past decade and as of today have landholdings of more than 50 acres (average). The official got me introduced to one such farmer who had nearly 100 acres holding. So state has focused on big and middle farmers to adopt soybean given the high investment it requires. Such relation with the small farmers was not witnessed since they cannot invest the capital required for it. Thus they fall out of schemes taken up by the state. The farmer also said that the fellow farmers in his village were very satisfied with the state and the bureaucrat, in particular. Whenever the bureaucrat would get a transfer, the farmers stopped his transfer, and he has remained in the same district for 15 years. Once the mother of one of the farmers told his boss, that 'he is my son, so you cannot transfer him elsewhere'. This relationship was uncommon to find, and he was rather involved with the farmers but a point remains that his relationship was with the big farmers (Raipur September 2011).

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83 In his office I met a big farmer who turned out to be a chief informant.
84 Big and middle farmers are 24 percent of farmers and own 66 percent of cultivable land.
Commercial agriculture, horticulture and technologies has been successfully adopted by the big farmers in Durg, who have taken to capitalist agriculture belonging to OBC and upper castes. The others who grow horticultural crops are big farmers (more than 20 acres), already armed with the tools and modern technology living within gated farmhouses (Open 2009). They came from Haryana, a northern state and have bought land by coercing local Dalit community; the latter now work as wage labourers in their own fields (ibid). The local media people informed this could be possibly because the state was planning to undertake ‘Green Revolution’, and these capitalist farmers, have bought over huge tracts of land in Chhattisgarh to reap the benefits of impending Green Revolution. This argument could not be confirmed.

An associated scheme with Green Revolution is mechanization. Under mechanization schemes, agricultural implements have been exempted from Value Added Tax and an additional subsidy of 25% has been granted on such implements. Assistance up to Rs. 50,000/- per pump for energization (Additional 30 % subsidy for SC / ST and 10 % for others under MIP). Mechanization is not scale neutral following Byres classification since it is economical to adopt them in large holdings.

The entire highway to Durg was dotted with numerous tractor and other agricultural machinery shops. Dhamtari also has a similar pattern with chemical inputs shops. On enquiring with the local people, I was told that they belonged to traders from other states and urban Chhattisgarh. In Champa and Durg districts, some big farmers were found owning seed and pesticide shops. I met one man who comes from a big farmer family but is not directly into cultivation. His main source of income is a tractor shop. He stated though government gives subsidy to small farmers for buying tractors they cannot pay the remaining amount. So we forge paperwork and then in the name of a small farmer, a big farmer buys tractor. Often this small farmer is either a tenant or wage labour in big farmer’s farm. Big farmers have thus diversified into shops and agro-business in last one decade. The sale of machinery has gone up significantly in the last ten years as reported in both districts. Government report shows the number of power tillers have

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85 Death of a local Satnami Dalit was reported who was found dead for resisting the procurement.
86 When I visited these farms, one could see little of what was happening inside. High gates and dense fence kept it away from common eyes.
87 Value Added Tax, an indirect tax.
increased twenty times between 2006-07 to 2009-10 and other power driven implements have tripled in the same period under various departmental schemes (CoG).

Farmers in Durg have further diversified to horticultural crops like tomato and have good market linkage and even supply to Mumbai and Kolkata; this linkage has been made possible by introduction of soybean cultivation in this region in the 1980s, the first cash crop of the state. As a big farmer from Durg claimed, ‘the bank branch has a deposit of Rs 330 million now, which was Rs 80 million only ten years ago. What is more significant is this money belongs to the farmers, each of whom on this date has a Rs 10 million savings. This has been made possible by changing to soybean cultivation from rice’. These are big and middle farmers who have adapted to new technologies and taken to capitalist farming, heavily supported by state agricultural department in the 1980s. He added ‘we can now buy tractor with down payment and our children proudly associate with agriculture’. Clearly, they have accumulated through agriculture which is now invested in business since benefits of commercial agriculture have accrued to a few who could invest in capitalist agriculture88. A representative of a global NGO informed that small farmers have averted the change to cash crops due to high risk potential. The change has been slow.

This does not mean that paddy farmers are neglected by the government. Paddy has won the state prestigious productivity and, more importantly maybe, the state government has been negotiating with Union Agriculture Minister to get Rs 3 billion subsidy for paddy farmers. This seems to be an indication of the importance of the farmer lobby to the government. But in terms of developing technology, universities have been collecting samples of indigenous varieties of paddy but work on these has been slow (interview: agriculturist 2011 and journalist 2011). Under the Jogi government, there was also news of samples of indigenous varieties sold to Monsanto, illegally. Support towards private seeds has been high from the state, while preservation of indigenous varieties has been neglected. The respondents indicated that the class interest of emerging intelligentsia lies with the corporate, thus propagating their interest which explains the lacuna in preserving indigenous variety (Mehta Bilaspur October 2011, Jagmohan Raipur 2011).

88 Bhakar et al.(2007) has similar finding in his village where marginal farmers only grow paddy and it is the middle and big farmers who grow commercial crops.
A somewhat direct attack on small farmers was observed in Jashpur, Champa for the sake of contract farming. Here an activist highlighted ‘the livelihood of small farmers was under threat’. A decade ago about 1250 hectare of land was under potato cultivation which has fallen to a mere 250 hectares. In the 80s and 90s, Tibetan settlers would take a lease on land from the government to grow potato. But now the government is unwilling to give them the lease. Instead contractors are coming in from Bihar for 3-4 months a year. The input cost is borne by them and they do contract farming, using local labour. Similarly in Jashpur, tribals used to carry out potato and tomato cultivation. But now they work as contract labour under contractors from Bihar and Uttar Pradesh. These contractors are better connected to market and so generate higher surplus. There were also settlers from Bangladesh who cleared forests to grow vegetables; they came in two phases, 1964 and 1979. Their villages were known as Camp 1 and 2. But the forest department has claimed back this land as they did not have patta (settlement rights) for them, denying them their livelihood. At the riverbed of Mahasamund, local population would take land on lease to grow watermelons. The cultivation spread over 2000 km on both sides of the river. Mahanadi river is wide and the river bed is flat, so this was fertile land with high productivity. But once, in a tragic accident, a farmer lost his life. The sudden opening of flood gates caused the death. Ever since farmers have been scared to take up cultivation in this region. The government has also shown reluctance to lease land to small farmers, mostly Dalits. But the same land is again being leased out to contractors, who are coming from other states. They are capable of high investments, have tractors and other machinery at disposal and have good market linkage (activist, Raipur August 2011 and farmer, Champa October 2011).

The state is reluctant to support indigenous population but is most helpful to outsider contractors along with big and capitalist farmers. They are keen to promote horticulture since it is capable of generating revenue and in this case, display preference towards those who can undertake capitalist agriculture (Menon 2014). While productivity is an important concern, the lack of focus on indigenous varieties and creating space for corporate products, both directly and through spurious means. The alignment of the state (political leaders and bureaucracy) to capital which sells the new machinery and technology is apparent, with simultaneously creating opportunities for big and capitalist farmers to consolidate their class position. There are few exceptions who are trying to develop an alternative like protecting indigenous varieties but within the framework laid out by the state. Cropping pattern shift is integrally related to access to hybrid seeds, fertilizers and irrigation which is dealt in the next section.
4.8.2 Seed, pesticide and fertilizer

A budget of Rs.105.2 million has been allocated to promote the production and distribution of quality seed. The seed supply by the government has increased to cover 0.4 million hectare of cultivable land, which is 10 per cent of total demand. Thus nearly 90 per cent farmers depend on own seeds or buy from private companies (technocrat, Raipur and UNDP 2005). Seed companies are looking at Chhattisgarh as a huge market potential to be tapped (private company agent, seed company manager 2011). They are employing local people as agents to sell their highly priced inputs and also keeping their items in retail input shops in small towns and suburbs. I saw many such privately-run shops, particularly in the districts of Dhamtari, Durg, Raipur and Champa where commercial cropping has been adopted more than the others but with a variation. In Durg and Champa where the big farmers were the owners of these shops while in Raipur and Dhamtari these were owned by traders, Marwari or Gujarati. As a CPI veteran pointed out the need for chemical fertilizers has given rise to a class of ‘sahukars’ or traders. They give loans to farmers to buy chemical inputs and machinery, defaulting in repayment of which transpires to small farmers losing their land. Anand Chandrakar and Sahu driver narrated the penetration of traders in rural lives, in their respective villages in Dhamtari, Jagdalpur and Champaran (Raipur September 2011). The input shops are owned by traders who also lend money to the farmers. So when paddy is ready, and is given to the rice mills for processing, the traders buy the rice from the mills directly, which is how they settle the famers’ loan and interest amount. A case of interlocking of factor markets is noted from these case studies.

It was repeatedly stated that multinational companies have gained monopoly on the fertilizer and pesticide market in the state by successfully penetrating the rural districts in last decade (activist August 2011 and auto driver September 2011). An interview with a senior manager of a pesticide giant, who have recently opened operations in Chhattisgarh revealed how they have been capturing the market since 2005. The companies which sell pesticides have their way of getting farmers to buy their products. They employ agents in all districts who convince the suppliers and farmers that their product will ensure a safe and big yield. They sell their products through aim is achieved by an informal credit system and utilising social capital. The middle and small farmers

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mostly cannot buy fertilizers and pesticides with on the spot cash payment. So a part of the strategy of private companies is to sell the products and take cash once harvesting is done. So in order to get their payments they use a network of farmers’ kin who visit village to village. The agents and shopkeepers use fear tactic that less chemical fertilizers would lead to crop failure and poor yield coercing farmers to buy more fertilizers. This account matched Alok Shukla’s account of the strategy followed by another fertilizer company for whom he worked as a sales man (Raipur 2011). The picture draws support from Murugkar et al. (2006) discussed in chapter 2.

In terms of distribution, a biased treatment of state agencies emerge which is forcing the small farmers to depend of private sources. Mishra from Bilaspur noted both fertilizer and pesticides used now are increasingly bought from the market, while what is saving the tribals is seeds for paddy and millets continue to be predominantly indigenous. The latter is sticking to food crops since both in terms of information and availability from public agency they are poorly placed as was triangulated. Farmers across districts complained that hybrid seeds have many instances of pest attacks right form sowing to cutting, and each time, the farmer incurs high cost of pesticides (NCEUS 2008, Menon 2014, interview: Mishra Bilaspur, October 2011). Recently 90,000 litres of banned insecticides was discovered by the agriculture department from godowns in the state (Agronews 2011). Coming to question of access, again Chhattisgarh is no different from other states. The big farmers repeatedly reported easy access to cooperative societies while the SMF found supply through the same cooperatives late and undependable, as reported across districts. Laxman Prasad, a farmer from Raipur added that the BJP government was ‘very corrupt and anti-people. They do not understand our needs’. Seeds and fertilizer from government sources are of inferior quality so we are at the mercy of private sellers. Farmers in Korba and Bilaspur had a similar experience. The fact that big farmers in two FGDs suggested BJP has ensured easy supply of inputs through cooperatives made the discrimination of the state towards small farmers evident.

The input centricity policy under the Raman Singh government was seen as the key factor in increasing the cost of cultivation adding to their debt liability (technocrat, Raipur September 2011 and Mishra December 2011). While chemical fertilizers have heighten the cost of inputs manifold, so has cost of pesticides which are hugely expensive and are used in large quantities
(Arjumend 2001). A majority of the respondents in Village Reports say that traditional methods of cultivation should be promoted, as modern methods are expensive but the state is surging towards modern technology. Results of the 59th Round of NSS provide evidence of the worsening situation of farming households due to indebtedness [NSSO 2005]. The cycle of floods and droughts makes livelihood extremely vulnerable. Farmers, with preponderance of small farmers, resort to moneylenders in times of crisis. In early 2000 the incidence of poverty was high owing to absence of alternate employment opportunities (UNDP 2005, p. 202).

Poverty has reduced since 2005 but in 2009-10 it was 48.7 per cent against the Indian average of 29.8 (UNDP 2011). So chemical inputs are forcing farmers to go for contract farming. Another reason why small farmers are permanently in debt is due to the pricing of food grains by the central government pointed out respondents. The cost of production per quintal has become more than Rs.2000 while the MSP declared by the government is Rs. 1100. Further, the procurement is limited to Kharif crop only which stretches over three months only (interviews: activist Korba, state official Raipur and farmer Bilaspur). This policy induced change has resulted in reducing the independence of farmers leaving them food insecure in many cases.

The state strategies discussed above have worked in favours of both big and capitalist farmers and private companies. They have cornered subsidised fertilizers from cooperative societies. It is also facilitated through their organisation under the BKS giving them higher political bargaining power. In words of a respondent ‘a typical agrarian cooperative society has either a Suryavanshi (thakur), Chandravanshi (Yadav) or Kurmi (Sahu, Chandrakar) as its head, who allocates the resources within their kin. This keeps the small farmers from getting any benefits. Often a Maheshwari is also involved in these transactions but from outside’ (Interview: Vijendra, Raipur August 2011 and journalist, Raipur 2011). All these castes basically include big and middle farmers only having political connection.

Since the formation of separate state, seeds are developed by the Seed Corporation. Mother seed goes to agricultural university for testing from which a foundation seed is produced. This is produced annually and then sent to the Seed Board. Around 27000 varieties come to the Board which then has to be re-produced before circulation. Seed Corporation owns only 500 hectares, but it needs 3000 hectares for seed germination. 7000 registered kisans’ land was hired for this purpose. Once again well connected farmers with big holding were the choice of the

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90 These are district reports prepared by the United Nations Development Programme (2005) on basis of survey covering 15 per cent of local population.
government. It then goes to the germination centre for certification. One more point where bureaucracy and the big and capitalist farmers come in contact (interviews: agriculturalist 2011 and technocrat 2011). It is needless to say these would also be the farmers who get better quality seed from government sources.

It can be inferred tentatively though, that the high budgetary allocation in the sector has had little percolation among small farmers since they have to buy chemical inputs from private sources. Government sources are limited to big and capitalist farmers concentrated in the plains. They have been presented with new opportunities to diversify into input shops, earn from renting out tractors and other machinery and also been benefitting from subsidies on machinery offered by the government thus developing into capitalist farmers class.

4.8.3 Water
Mahanadi, Sheonath, Indravati, Arpa, Hasdeo, Kelo, Son, Rehar, and Kanhar are the main rivers flowing across the state. Nearly 80 per cent of the state’s population is dependent on agriculture but irrigation covers merely 29 per cent (GoC) of agricultural land. Mr. S.C.Shukla was the Union Irrigation Minister (1991-96). Despite belonging to the state, he made no attempt to start minor irrigation projects, reported a CPI veteran. He is no exception since systematic neglect of developing public irrigation sources seem to be a strategy of the government. Thus floods and droughts leave them vulnerable and add to their debt dependence. In a FGD, a respondent stated that ‘the erratic rain pattern and lack of irrigation management has left one village flooded and an adjacent one dry within the same district. The scarcity of irrigation in northern and southern districts is severe, 11 per cent and 4 percent respectively. In recent policies focus has been given to irrigation but if discerned, the focus has actually been on subsidising private irrigation. Quoting from a government website,

Assistance of Rs. 750 thousand is provided to the entrepreneur as credit linked back ended subsidy on a package of machines worth Rs. 1.5 million for Sub-plan Area and Rs. 1 million for a package of machines worth Rs. 2.5 million in other areas’. Under Shakambhri scheme, started in the year 2005-06 75% subsidy is given on Diesel/electric/kerosene/openwell submersible pump sets (Up to 5HP) and 50% on dugwell to the small and marginal farmers⁹¹. The government has initiated a new

⁹¹ For more details visit http://agridept.cg.gov.in/agriculture/enginee.htm
scheme called ‘Indira Gaon Ganga Yojana’, to provide assured water supply to every village by pumping up the available ground water and augmenting traditional water resources.

Except for the last one in the list, the benefits of other schemes accrue to the big and middle farmers who can bear the remaining cost of pumps running into hundreds of thousands. Subsidy for installing tube wells, a highlight of the present government, has been cornered by the big farmers alone, given their political connection and contacts in district bureaucracy (FR Mishra, 2011 and Sahu driver 2011). Hence the same Indian scenario emerges here as Shah (2007) described in Gujarat that small farmers have to take pump on rent to cultivate; another factor which forces farmers to resort to informal credit. Human development report (HDR) pinpoints at the dearth of alternate employment opportunities as a chief cause for high incidence of poverty in the area (UNDP 2005, p. 202).

To add to the plight water has been diverted to industry. In Champa, the diversion of water to power plants has limited farmers’ choice to pumps for irrigating their land. For getting pumps installed they need permission from Sub Divisional Magistrate92 which is another difficult step. Paperwork and bribe makes it inaccessible for the small farmers. A local activist filed an RTI to find out about the quantity of water supply to farmers. But no data could be given by the government. To cope with the fall in income, many have tried commercial crops. This requires high investments. The district has seen rise in farmer suicides between 2001-2006. The paddy farmers owing to low debt had lower rates of suicide. Another crop grown in the area is sugarcane. Government has banned farmers from making gud (jaggery) at homes by filing a caveat. This is to ensure sugarcane supply to Kawardha sugar mill. One more mill has been opened at Sarguja. Farmers earn little from sugarcane. They spend about Rs 500 on transport while they earn about Rs 2100 per 10 quintal. So their profit margin is very low. In other parts of India like Uttar Pradesh farmers get around Rs 3000 for the same quantity, as a farmer pointed out (farmer, Kawardha 2011 and activist, Raipur 2011).

Mahanadi water was reported to be diverted to industrial purposes, made available to private companies, resulting in private bore wells as the only option to irrigate requiring high investment. So small farmers who are unable to invest capital, are excluded from accessing water; in some

92 District-level administrative officer.
cases they borrow private pumps from big farmers. As seen in Champa, small farmers’ poor political connections work against them in accessing canal water since the distribution is at the will of the political leaders and district bureaucrats.

The emphasis of government policy on input-intensive agriculture emerges as a solution to low productivity but not for small farmers. It is underlined by concentrating resources in hands of capitalist farmers who can afford the resources and directing the rest of resources to industries. Accessing inputs through cooperative societies is cornered by the proprietary classes. Interviews with big and capitalist farmers did not regard it as a problem. Rather they focused on the labour issue, also raised by bureaucrats and capitalists alike. In the context of post liberalisation era, they complained how the cost of labour has gone up, and they blamed the MGNREGA for this change. The government has been paying them Rs 100 to 120 under this scheme, and this has made them lazy. To employ them, higher wages have to be paid and this pushes the cost of cultivation. This is what has made agriculture unviable. Given this is the minimum wages, it indicates these employers were paying less than minimum wages prior to MGNREGS. The overwhelming importance to adopting labour-saving technology inherently perpetuates the agenda of under valuing labour in both sectors is acting as a push factor for small farmers to join the labour force for the non-agricultural sector.

4.9 Mechanism of pacification: Public distribution system and RSS intervention
A discussion on BJP’s communal tactic to capture votes has already been outlined in an earlier section. Another effective strategy which has paid the state government rich dividends is the PDS. Rice is distributed at the rate of Rs 1 for BPL (below poverty level) households, Re 2 (the next category APL). Making rice available and saving them from starvation has resulted in the population feeling grateful to the government. This is particularly important since the price a paddy farmer gets for his produce is lower than the cost of production as triangulated in fieldwork and inflation has added to their suffering. So under such deprivation, food security has earned a lot of loyalty for the government. Social workers and academics have a different reaction to PDS. They feel this has destroyed the capacity of the population to judge the oppression they are being subjected to and the way their land is being bought over by external agents; and organising themselves for any protest (journalist, Raipur 2011).

A politician regarded PDS as making the local population lazy and reluctant to work. The rice that they get from PDS is also often sold in black market and with this money they buy ‘desi
daru’ or country liquor (Raipur 2012). Various such abusive practices are being born from rice at Rs 2. ‘In addition drinking mohua has left the masses too drowsy to raise their voices, or even realise how they are being robbed’ stated Dixit, an activist (Korba 2011). He pointed out that the production and sale of mohua has been legalised under the BJP government, which he feels has added to the further deterioration of awareness of the masses. It found support from another journalist who pointed out that the government keeps promising to close liquor shops and has huge posters with Gandhiji in Raipur city. But the village people reports the number of shops have only gone up in last 5-6 years. He mentioned almost 50 percent of PDS rice is sold back in black market to buy liquor, little helping family consumption (Raipur October 2011). All three respondents argued PDS was acting against the tribal farmers pushing them into social malpractices and economic poverty.

Developmental efforts to change the lives of tribal population have been few. But other means have been employed to politically bring them within fold of BJP. Jashpur has 11000 RSS whole timers working on the important issue of conversion of tribals. Dilip Singh Judeo has kept the issue at the core and organises huge festivals for reconversion, to polarise the local population (Saxena and Rai 2009). This has penetrated the villages and successfully organised a mass support base for the party. Through organising periodic conversion programmes, Hindutva card acted as an ideological plank to bring voters together. PDS has at an ideological plane weakened any political formation from crystallising of the deprived masses.

4.10 Different ways of choosing allies in the countryside
The gap between Bharat and India has been spoken of in literature across all the states. This was particularly true for this state, given its forest coverage, the remote areas where tribal population inhabits meant little connection with farmers in other parts. Literature reveals as part of Madhya Pradesh, Chhattisgarh was one of the most neglected areas. The last decade in Chhattisgarh has thus seen various attempts by the state to percolate the countryside. This has involved selecting the allies of the state who can take its agenda forward. This objective has been served by two bodies, one, the farmer organisation and the other, the local government institutions. These have been described in the following sections.

4.10.1 Role of Kisan Sangh and ties with big farmers
Kisan Sangh’s presence is limited to the plains, specifically in Raipur, Bilaspur and Durg. Its members were part of the Land Bachao Andolan (Save the Land Movement) being held in Raipur in 2011. It is waging a battle to protect the land of 27 villages around Raipur who are
losing their land under the new Raipur project. It has a membership of above 6000 with farmers having holding from 2-100 acres. The members whom I met were all big farmers owning more than 10 acres each while its President owned 25 acres. They belonged to OBC, either Sahu or Chandrakar. They are distinct from the industrial class. None of them own rice-mills or have any connection with mining, though over the past decade they have diversified by opening small shops, trading in agricultural inputs, thekedari (taking construction contracts) and government jobs. These have been opportunities thrown up by urbanisation and the growing importance of Raipur city. Despite being big and middle farmers they were not into capitalist farming (FGD Raipur September 2011).

They listed their demands as higher land price and jobs in the new factories, universities and hospitals coming up on their land. They are demanding jobs requiring Class IV or V qualification reserved for their people. For instance the security person employed in the Law University was from their village and had lost his job; their demand was he should be reinstated. Another demand is for free medical treatment in the Vedanta hospital. They added the land given to this hospital was for free because on paper it was a non-profit organisation. But Vedanta works only for profit. Education for next generation is also a demand. Some of their sons were doing engineering while taking computer courses was also common. They repeatedly argued that this would help their children get out of the village life. Their demands were region specific and looking for small favours from the state, operating in lines of patronage. They confirmed that private dalaals make four times as much as a farmer makes in a land deal. They want to be the direct seller to industries. It can be inferred industries or land loss were not seen as a problem rather they wanted better prices for land.

This movement has two unique characteristics, organisation and political contact. In the Circuit House they were waiting to meet the Agriculture Minister to discuss their demands. BKS operations are absent in other districts, especially the tribal majority districts with concentration of small farmers. This is probably because the aim of this organisation is to mobilise the big and middle farmers. They are better informed and educated than farmers in most other parts of the state. They are also organised and thus operate as a definite vote bank. Their OBC caste affiliation also makes them obvious ally to the state and thus an attempt to listen to their

93 The city of Raipur, the state capital is being extended to accommodate the demand for urbanisation which is termed as the New Raipur project. It will incur an investment of Rs. 400,000 million and will have an area of 36,000 hectares to accommodate 5.4 lakh people is being planned.
demands. Durg is one district where the big capitalist farmers showed political connection with BKS and were also well-educated. Their strength was exhibited when they organised a successful resistance to stop industries from coming into their district, Bemetara. They have cashed in on the opportunity of new and high value crops like karela (bitter gourd), chana (chick peas) and tomato (Vijendra, Raipur October 2011). There is coexistence of soybean and horticulture in the district. Durg is the reverse case of Champa where land sale has been high and no organised farmer resistance. A possible reason could be majority of them have remained with paddy cultivation which is low in profit.

A relation between capitalist agriculture and political organisation among big farmers can be speculated, of course aided by state support. The big farmers are important for the state which envisions large scale highly productive mechanised agriculture as the only way forward.

4.10.2 Panchayati Raj Institutions
Another key contribution of the BJP government has been running the Panchayat Raj institutions running anganwadis. The Panchayati Raj system\textsuperscript{94} covers around 20,000 villages in the State and has a total of 1,36,393 representatives. Altogether, close to 150 thousand people in rural Chhattisgarh are involved in the strengthening of self-government and the democratic process (UNDP 2005, p.159). Anganwadis also have been effective in addressing the issue of food for the children below the age 7 and providing them with preliminary education. Several respondents acknowledged that panchayats have most effectively created an elite within the village, who has access to the upper echelons of the government. Its chief role has been implementing the central government schemes, rather than making the grassroots a part of the government. This is explained further in the next section.

In one village, I met the Upsarpanch\textsuperscript{95} who works for recovery of bank loans\textsuperscript{96}. He informed the only huller (rice dehusker) among all the close by villages where paddy from adjacent villages is processed is owned by a big farmer with 20 acres landholding. The farmer has been the sarpanch for past eight years and maintains close contact with urban traders and mostly lives in

\textsuperscript{94} There are 9,139 Gram Panchayats, 146 Janpad Panchayats (at the Bloc level), and 16 Zilla Panchayats in the state (HDR 2005).

\textsuperscript{95} Second highest post in the village level body of local self government.

\textsuperscript{96} He is growing vegetables from the seeds distributed by the state government. When I asked him if he would want to live in the city, he replied 'even if I am out till 10 p.m. I come back home. The village is my home'.
the nearby town. Being the sole owner of a tractor in the village, he charges high rent. In this case, the panchayat head was not only a big farmer, he is also into agro-processing and is a capitalist farmer able to adopt machinery unlike the rest. He is an oppressor of the small farmers who have to pay rent as the sarpanch charges and have little chance to oppose/negotiate with him for the political position he enjoys. The case points at concentration of economic and political power at village level leading to class consolidation.

With the entire wave of decentralisation and introduction of three-tier system at village level, a lot of hope was pinned on upholding demands of the rural population, but as well covered by the literature, success has been limited in most parts of India. This appears also to be the case in Chhattisgarh. As reflected in several interviews, panchayats have not empowered village communities, nor created channels for taking demands from below to the top. They operate as implementing agencies of the state and central governments. The IAS officer I met knew about central schemes but not about rural politics. The panchayats are powerless to the extent that they cannot even convene a meeting of gramsabha without prior permission of the collector. The procedure states that if one-third of a village community demands a Gram Sabha (Village Meeting) then it has to be convened, but even if such applications are made, the collector/CEO rejects the application on the ground that 'meeting on such issues can disrupt the peace'. In implementing the state policies, the sarpanch is utmost careful in maintaining his loyalty to higher authorities. In any new project, the collector, the block officer, the zilla parishad head, the sarpanch and the sachee have fixed rates of cut, as laid out by informal rules of the nexus.

Different respondents like small farmers, a zilla panchayat member, social activists indicated that corruption is a given in PRI functioning. The elected representatives act as allies of the ruling class. In the process, they get alienated from the village people and issues. They are often the middle farmer, sometimes the owner of tractors and other instruments which earn them rent income, and better educated than fellow farmers. In one village, the sarpanch owned 10 acres. His father, mother and uncles are involved in cultivation but he does not work in agriculture. The family has now started hiring in labour. He is also involved in a cooperative society. He has a mobile phone, a bike and a big TV with satellite connection. He has been educated outside the village and identified with the urban life style.

97 Lowest level of three tier system of PRI.
98 Government officer who works as secretary to gram panchayat.
The consensus among interviewees was that winning a panchayat election requires investment of Rs.1 million (average) (for further details see ADR 2012 and 2013). Even two PRI members themselves accepted having spent such money. A local activist said ‘Farmers in many instances cannot afford such money, so they seek help from local rich people- dalaals, local contractor or political fixers and so on winning the elections, his allegiance lies with them rather than his fellow villagers’ (interview: Korba, August 2011). If it is his own money, post victory, he/she indulges in corrupt practices to earn the money back. Money assumes a central role in deciding the candidates’ chances and being in office means making up for the money spent and accumulating further (interview Gaur, Dhamtari 2011). It was also reported that the dalaals work for legislative assembly members and bureaucrats but the latter also have family members occupy positions at local institutions. A kin of a MLA, name Srimati Bhil, is presiding over panchayat. On visiting Srimati Bhil’s office, we were informed by her secretary that she was largely absent from office and did not take much interest in the zilla parishad’s functioning. In case anyone wanted a meeting with her, or had a complaint to lodge, they would go to her home or talk to the home minister. Clearly, institutions of decentralization seem to have been mere extensions of centralization and women reservation, has contributed in deepening the social structures of hierarchy rather than challenging them. The administrative officers seemed most occupied with implementing the central government policies and did not know much about land acquisition or mining projects.

On the eve of elections she organises huge parties where villagers are invited to enjoy 'murga and daru' (chicken and drinks). She also goes to women Self-Help Groups (SHGs) and find out what is needed and supplies the same. In last election, she supplied 'daris' (mats) to several such SHGs and earned their support. This is a case of personalisation of power, since most often, Mrs Bhil does not come to office regularly. For any official or unofficial work, people visit her house. This is also a case of how patron-client relations operate and keep any organised protest at abeyance (Dixit Korba September 2011, Mohanram, Korba September 2011). Although an ST candidate, they have Brahmins among their political cadres who act as linchpin between the party and the village. In Banshankari, a village adjacent to South Eastern Coalfields Limited mines, the village Brahmin family has a lot of reverence among the local population, among both SCs and STs. A member of the family is a cadre of BJP and works very closely with the minister. He uses his traditional status and social respect to earn allegiance from the local population. Pursuing his studies in law, he is also seen as someone better educated and informed than the rest, so it adds
to the confidence people have in him. His father continues to be the purohit (temple priest). Otherwise middle farmers, they have done better than other families given their access to education and political connection.

A woman panch (member) whom I met was unaware of the meetings and hardly participated in functioning of the institution. She did not even step out of the house, so being part of public interface was a remote possibility. On asking why she did not attend meetings, her reply was lack of information. The case shows formal political power is not enough to alter socio-economic structures and how information acts as a tool to exclude these new entrants to public realm (Sunita Korba September 2011).

Democratic consciousness is important to realise the potential of decentralisation, but this is missing among uneducated tribal population. So even if they get elected, it is only titular. The upsarpanch and secretary control the decisions without listening to sarpanch. If latter is absent, the SDM res99erves the power to cancel his post or ask him to leave on account of irregularity. In case of corruption accusations, the sarpanch who is the main signatory is penalised, and given their illiteracy they cannot understand the paperwork and live in fear of getting framed. So they are left to the mercy of secretary and has to obey him (Rao, Bilaspur 2011). Instances of contractors feeding money into local institution elections were found to ensure their candidates win elections. This is a way of buying the candidates so later ‘no objection’ is raised from the village panchayat for their new projects’ land acquisition (CPM President July 2011, PRI member, Dhamtari August 2011).

All the information suggests PRIs have not brought about democratic empowering at grassroots, rather a class of beneficiaries have been formed feeding on state resources and consolidating their class position. Though farmers, they have become part of old petty-bourgeoisie. The state, as it emerged, is fully aware of that and is happy to have loyalists at grassroots who will endorse their positions on land acquisition and other malpractices when needed. Caste where helpful is used to win people’s support for electoral purposes; where not, other dole-outs (patronage) like ‘murg and daru’ or blankets serve the purpose. Patron-client relations are rampant in functioning of PRIs. A furtherance of old petty bourgeoisie through reservation has been identified where new members from SC and ST gain access to state resources and thus accumulate.

99 He is a member of bureaucracy heading the tehsil office.
4.11 Conclusion: Rural and urban Chhattisgarh are not miles apart
The main trends are two-fold in farming: the farmers in plains like Raipur and Durg districts were trying to consolidate holdings and increase acreage, while those in other districts like Kawardha are selling land to real estate and industry due to unsustainability. A veteran farmer-cum-politician commented ‘a common farmer is twice oppressed, once when they sell their produce for low prices given the urgency to pay back debts. Again when they buy food items from market at inflated prices’ since PDS does not cover the entire demand for food a family has (Mishra Oct 2011). For lack of better expression, I use his statement to explain the socio-economic deprivation faced by small farmers with data from across literature and other interviews.

Increase in cost of production, problems in irrigation facility, unavailability of credit has resulted in sustenance through agricultural income difficult. In some cases, the price of crops was lower than cost of cultivation as reported. ‘It is a labourer who earns more than a small farmer, as former has less liability’ stated a technocrat (Raipur October 2011). Judging from the qualitative evidence presented here, in such a scenario, giving up land becomes a way to escape poverty. There is a literature which has recognised these issues but seen them as a failure of policy implementation. But the fieldwork showed that the ‘middleman’ who has taken advantage of the policy lapses, or the big and capitalist farmer who have been getting loans from formal sources and seeds and fertilizers from cooperatives, or those who as traders selling new inputs are more than mere economic actors. They belong to either the big or capitalist farmer class or merchant capital. They also have a political entity, tied to the ruling classes based in urban centres or even state capital. The two sets of actors work to secure mutual gain. The capitalist class and political class ensure sources of accumulation for the rural proprietary classes, while latter furthers their interest in land acquisition and access to forest resources. Latter are instrumental in gathering votes for political parties. In political game, caste does play a crucial role. But the allies of political parties are the big farmer and petty bourgeoisie from within the dominant caste groups. Cases of petty bourgeoisie arising from rural Chhattisgarh like PRI elected members were rampant, accumulating through illegal siphoning of state resources.

Small-holding cultivation has been made unviable in post liberalisation era with emphasis on technology and hi value crops, so energy of small farmers is directed to just survival. If the activist’s version is correct, the movements one sees today are either sponsored by NGO
funding or is to negotiate for higher land prices or better settlement packages, like observed in Land Bachao Andolan (Save the Land movement). Such instances have been observed in other districts, where protests are organised on the issue of land acquisition and once dalaals offer higher prices for land, the protest is withdrawn. Such movements are not for sustenance or to save land, under any condition.

The gentleman farmers are the new players in agriculture, who are gradually gaining an upper hand in agriculture. Land is seen as most lucrative investment and horticulture and agri-business are seen as profit-making enterprises. So their interest in this sector is on a rise. Reliance Company has entered the soybean market already. They offer farmers Rs 12, while the market rate is Rs 10. They are procuring from sources in the districts of Champa and Bilaspur. They have taken huge tracts of land to do contract farming. Monsanto, Reliance, Pepsi and numerous corporates are investing in land and using a part of it, at best for agriculture. The state is supportive of them in hope of fast growth in the sector.

The dominating class in the state remains the mining, cement and real estate—capitalists—whose main interest are land and water. Lobby would probably be a misnomer as the representatives are part of the state-as both bureaucracy and politician. They are not external to the state. To quote a veteran journalist, ‘they are not lobbies, but are the government itself’. The rice mill lobby which has lost its central position in the last decade is also given new opportunities in form of godown subsidy. It was reported that this subsidy has been cornered by rice mill owners and in the Food Corporation office, the officials' liaison with the mill-owner—in whose godown they store the cereals—was also noted. In past decade, the lobby has shrunk, since the capital have come to be dominated by fewer but bigger mills. A kind of monopolisation has been fostered. Chhattisgarh state and class relation can be aptly characterised as ‘personal fusion’ as described by Jessop. The infiltration of capitalist class into state institutions is evident from fieldwork at both regional and local level.

Call for input-intensive agriculture and support for cash/hi value crops reflect the concern of the state for its other ally, the big farmers; a distant second to the capitalist class though. Their interest is guarded through providing them new opportunities, higher income through cash crops, supporting them in receiving loans from formal sources and subsidy for irrigation. Alongside new avenues of diversification are also ensured like retailing in various agricultural inputs from seeds to machinery and money-lending to small farmers. It is so since this space is
shared with traders, more in paddy-producing districts than others. With cash crops gaining ground, the traders have assumed a critical role in providing go downs. Second, agricultural surplus in Chhattisgarh is not playing an important source of investment when it comes to rapid industrialisation which is fed by funds from outside (Vedanta, Jindal) and within the state, surplus generated by merchant-capital.

The state politics is underscored by local-state politics. In gaining control on natural resources and land, the class dominating the local state plays a pivotal role — members of bureaucracy like District Collector and elected members of PRI. PRI members have been accumulating through corruption in past decade with higher state resource diverted to rural account under schemes like MgNREGA. Bureaucracy has had direct economic benefits as observed in Korba, where a bureaucrat’s kin is the local contractor for a corporate. There are also indirect benefits like being in the good books of the ministers by serving their interests and earning extra from corruption. A look at the functioning of the state, Jung (2011) sums it up appropriately, ‘local government officials and petty contractors seeped in corruption and insensitive to local cultural traditions have presided over the interior hinterlands and deprived these areas of even basic infrastructure like roads, drinking water, schools, small irrigation facilities or markets where local products can sell at a profit’. State level leaders do not go to village, but operate through fine networking with big farmers and petty bourgeoisie (technocrat 2011 and political leader 2011). The new petty bourgeois class is emerging from opportunities created by the neo-liberal policies, accumulating through land contracting, land deals, retail shops of agricultural products and money lending as observed in the field.

A complementary role is being played by PDS in the state in keeping an ideological control on the masses. It has been effective in muting voices of protest so far. Across interviews, it emerged that these two policies are acting as appeasement tools by the government. The PDS system in the state is smoothly running and the people give a positive feedback about the same. The control remains in the hands of the village sarpanch, the panchayat head, but most people did receive the provisions. Protests and movements have been directed to earning favours like higher compensation in Land Bachao Andolan or others witnessed in Korba. Real people’s struggles are crushed by the state mercilessly as seen in Dhamtari. Distribution of state favours like PRI seats, share in public funds like MGNREGS effectively dissipate people’s united struggle by creating patron-client relation.
As the Chhattisgarh government focuses on two aspects: good governance and good infrastructure, the state’s role becomes ‘of an enabler and facilitator of creative energies of its people’ (Berthet and Kumar 2011, p 105). It moves away from redistributive role, and does not regard social justice important. Economic growth is the ultimate objective and for agriculture, small farmers cannot ensure that. Hence the state subsidies and schemes are directed at big and capitalist farmers, who are referred to as ‘kisan’ by bureaucrats in their interviews. Simultaneously, policy induced rising cost of cultivation is acting as a disincentive for small farmers to continue in agriculture. This line of argument is leading bureaucrats to favour consolidate holdings and increasing mechanisation to facilitate large scale agriculture, thereby releasing land from small farmers to ensure a continuous supply of land for proprietary classes to procure and thus further the process of accumulation. This is a case of ABD, realised through the state policy on agriculture. State emerges as an active actor mediating the demand for land of the capitalist class (Levien 2011).

It is the merchant capital which is dominant, investing in primary industries but in the transformation, the kind of capitalism unfolding is predatory. Surplus extraction emerges as the dominant aim with little attention paid to issues of employment and sustainability. The big farmers and landlords are part of the political settlement but other sectors do not depend on agricultural surplus as a source of investment, which explains why big farmers are important for political reasons rather than economic. Their presence in bureaucracy and access to state fund through MGNREGS and cooperative societies is ascribing the character of old-petty bourgeoisie on them. Bureaucracy is gaining from rent income due to corruption thus its interest has come closer to the capitalist class.
Chapter 5

Gujarat: Maximising benefits of capitalism and community side by side

The primary aim of the chapter is to investigate whether after liberalisation, constellation of classes in Gujarat has changed, what has been the impact of (class) interest on state apparatus and hence policies and as a result of such policies, whether nature of proprietary classes have transformed or remained unaffected. Second, this phase has been marked by welcoming market forces, particularly under Modi so an analysis is undertaken to evaluate whether market’s freeplay has curbed state’s role in agriculture, by evaluating aspects of the agricultural policy after 2000 in relation to land acquisition and industrial policies. Simultaneously, an understanding of what these policies entail for different classes of farmers is also developed alongside the other two proprietary classes, capitalist and political leaders. The analysis is thus undertaken from two angles, classes’ influence on state and state’s role in forming, altering and consolidating classes. It is based on field research in Gujarat, conducted between October 2011 and January 2012.

The chapter is organised in the following manner. The first section offers a brief history of the state and outlines the changes the economy has experienced in the past two decades. This is followed by sections presenting of the fieldwork findings, in combination with secondary literature. These sections first elaborate the main tenets of policy and the key factors behind the agricultural success of Gujarat, and then evaluates, through a class lens, each aspect which contributed to this success in the decades following the liberalisation of Indian economy, particularly after 2000.

5.1 Brief Overview

The present state of Gujarat historically constituted of two parts: Saurashtra and mainland Gujarat. During the colonial period, the former was feudatory\textsuperscript{100} constituting 112 principalities, while the mainland was under British rule. Baroda was an exception, situated in mainland Gujarat but ruled by an enlightened royalty which merged with mainland Gujarat in 1949. In 1960, the regional state of Bombay was divided into two states, Maharashtra and Gujarat, thus the latter

\textsuperscript{100} It is a kind of land relation with landlord owning the land and the people, called peasants/tenants working on it. The peasants are attached to the lord.
gained independent statehood. Traces of caste dominance and landlord dominance can be observed in agrarian relations till date in Saurashtra where landlords command social and political respect among lower caste tenants and labourers. Meanwhile, mainland Gujarat has progressed speedily in industrial growth along the so-called ‘golden corridor’ (Mahadevia 2005), between Mumbai and Ahmedabad. It is the fourth most urbanised state of India with 42 per cent living in urban areas (Census 2011). During the fieldwork, I based myself in Ahmedabad, the biggest city in the state, about 25 km away from Gandhinagar, the state capital. Most of my interviews were in Ahmedabad, while I also visited districts of Anand, Kheda, Mehsana, Rajkot, Surat, Baroda, Banaskantha to interview farmers, activists, politicians and academicians; see figure 5.1.

**Figure 5.1. Map of Gujarat showing districts visited and the golden corridor**

Source: http://t3.gstatic.com/images?q=tbn:ANd9GcRVbmJLgh09I9S4HvtpqTptADmL48SVLzaKBrW7FnFD15tx_-hk

5.1.1 State driven economic growth

One characteristic that differentiates Gujarat from the other two states studied is that the source of economic investment here has been Indian capital, rather than foreign capital (Rutten and Patel 2002), although it has also been partially successful in attracting foreign investment after liberalisation (Awasthi 2000, Parekh 2012). In fact, a significant part of the capitalist class of India—merchant and industrial—originates from the state (Mahadevia 2005, Damodaran 2008). It is particularly significant after liberalisation India has experienced a rise in competition
between the states to attract foreign capital, triggered by withdrawal of central funds in the form of grants-in-aid has come to play (GoI 1997). Gujarat has done well in this.

Table 5.1: Sectoral Growth Rates (Compound Annual Rate of Growth) in Gujarat (1980-81 Prices) (in %)

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<tbody>
<tr>
<td>Primary</td>
<td>2.91</td>
<td>4.15</td>
<td>-0.44</td>
<td>1.95</td>
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<tr>
<td>Of which, Agriculture</td>
<td>2.27</td>
<td>4.22</td>
<td>-0.59</td>
<td>-0.18</td>
<td>5.36</td>
<td>3.88</td>
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<tr>
<td>Secondary sector</td>
<td>3.62</td>
<td>5.64</td>
<td>6.51</td>
<td>7.25</td>
<td>9.58</td>
<td>7.68</td>
</tr>
<tr>
<td>Of which, Manufacturing</td>
<td>3.04</td>
<td>5.55</td>
<td>7.33</td>
<td>7.33</td>
<td></td>
<td></td>
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<tr>
<td>Tertiary sector</td>
<td>3.51</td>
<td>5.86</td>
<td>7.10</td>
<td>7.39</td>
<td>11.45</td>
<td>9.36</td>
</tr>
<tr>
<td>Of which Banking and Insurance</td>
<td>-</td>
<td>-</td>
<td>12.11</td>
<td>12.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall SDP (explain what SDP is in note)</td>
<td>3.32</td>
<td>4.95</td>
<td>5.02</td>
<td>5.53</td>
<td></td>
<td></td>
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<tr>
<td>Per capita income</td>
<td>-</td>
<td>-</td>
<td>3.14</td>
<td>3.94</td>
<td></td>
<td></td>
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<tr>
<td>Trade</td>
<td>-</td>
<td>-</td>
<td>6.08</td>
<td>10.34</td>
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The 2000-01 to 2009-10 figures have been inserted from the Planning Commission website.
Gujarat has followed the all-India economic development trajectory but has outperformed all India average in all sectors. It has experienced consistent and very high growth in industry and service sectors throughout the last many decades. The agricultural sector fared worse than in other states until year 2000 but has bounced back more strongly than all India, with very high growth rates until recently.

Gujarat now is one of the most urbanised states in India but the growth of the urban economic sectors has not led to a simultaneous and proportionate transfer of population to industry and services. The National Sample Survey Office (NSSO) rounds show, the share of employment of the primary sector in the total employment has increased from 49.9% in 2004-05 to 54.4% in 2008-09 (Hirway and Shah 2011). The last decade’s growth, rather than improving their living conditions has widened gap among the classes (Hirway 2000, Hirway and Shah 2012). This adds to what Breman (1989) already saw in the late 1980s as a fearsome widening gap between the urban and rural. He portrays how small farmers and wage labourers have to struggle to sustain themselves. This gap is also translated into a regional bias, where agricultural growth for first five decades after Independence was concentrated along the golden corridor of the state (marked in the map). Both the northern and eastern districts lag behind in terms of development, education and industrialisation (Mahadevia 2005, UNDP 2012). The state has remained negligent to Kachchh and Saurashtra in the west and eastern districts, dominated by the tribals, which are both dry areas. In last one decade Saurashtra has received some attention in the form of industrial investment and developmental issues. But scholars note that small farmers and agricultural labourers lurk at the bottom most level of society, facing poor living conditions and food insecurity (Breman 2007 and Dand and Chakravarty 2006).

Gujarat success in making fruitful use of liberalising policies should be accredited to the state bureaucracy, different from the usual lackadaisical picture of Indian bureaucracy. Since 1960s it has been channelling investments into the state. Sinha (2005) terms it the classic role of ‘guiding the market’. Gujarat capital received assistance from the state institutional machinery throughout. Bureaucracy’s skill got sharpened during the licensing period and put to good use after 1990. The erstwhile ‘monitoring cell’ in the regional Department of Industry monitors every investment proposal. This constant check from the cell explains why the ratio of investment to proposed

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101 It covers the western districts, Rajkot, Junagadh, Bhavnagar, Porbandar, Jamnagar, Amreli, Surendranagar, Devbhoomi Dwarka, Morbi, Gir Somnath and some portions of Ahmedabad and Botad.

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project is one of the highest in Gujarat. Sinha (2005) sharply puts it as ‘the bureaucracy has developed a killer instinct when it comes to wooing the investors’ (Ibid, p. 155). The department in Gujarat, unlike other states, has been collecting detailed information on investors willing to invest in Gujarat. The state has successfully propagated ‘industrialisation and globalisation’ slogan which has come to dominate the public psyche, serving as the means to build ‘Gujarati’ self-esteem. Along with this it has also provided support to industries through infrastructural support, input supplies and abolishing turnover tax (Dholakia 2000).

The favourable position of the state bureaucracy can be seen in the huge revenue expenditure that the state incurs in paying them (UNDP 2004. A large part of the government budget goes towards payment of interest, wages and salaries, in addition to subsidies and transfers. Sharma (1999) found that while these items accounted for around 48.0 per cent of the state’s revenue expenditure in 1980-81, by 1997-98 their share had increased to nearly 65.0 percent. Das (2005) argues that the IAS officers managed to convert a rule-based system into a relation-based one, with the help of the political masters. It has become a part of everyday transactions that local inspectors pay frequent visits to small-scale industries to make extra money (Dholakia 2000). The success of the market is routed through proactive functioning of the state as observed in neighbouring state of Rajasthan by Levien (2011).

Even more than what is the average in India, a glance at sectoral growth of Gujarat from 1960 to 1990 reveals a shift from a balanced growth among three sectors to an overt emphasis to secondary and tertiary sector, affecting the composition of SDP (Dixit 2008); see also table 5.1. Several authors argue that until 1970s there were close linkages between agricultural and manufacturing sectors (e.g., Rutten 2003). Damodaran (2008) likewise makes a strong case for this linkage when he traces the rise of Patels as entrepreneurs through several case studies.

In the neo-liberal era, Indian states have been competing against one another to attract private investments. Increasing export and generating revenue has become a core goal of the state governments. States have invested on Special Economic Zones (SEZ), as per the central government regulations of March 2000.102 The Gujarat state is going all out to offer special

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102 ‘With a view to overcome the shortcomings experienced on account of the multiplicity of controls and clearances; absence of world-class infrastructure, and an unstable fiscal regime and with a view to attract larger foreign investments in India, the Special Economic Zones (SEZs) Policy was announced in April 2000’ (GoI, Ministry of Commerce).
incentives and facilities to the developer of the SEZ and the other industrial units working within it. It has reaped positive results in terms of high rate of growth in secondary and tertiary sectors. It is more surprising that the agricultural sector has registered a 10+ per cent growth rate between 2005 and 2012. Does this elicit anything about farmers’ relation with the political leaders and parties? Are they able to reach a political bargain despite the larger industrial bent of government policies? These questions make it crucial to understand the ways in which lobby politics function in the state. The subsequent sections critically examine lobby politics in Gujarat by drawing upon existing literature as well as by substantiating them with materials from my fieldwork.

In the years up to the 2014 election of the BJP chief minister of Gujarat, Narendra Modi as the new Indian Prime Minister, it became common to talk about the ‘Gujarat development model’: a type of neo-liberal development prioritising industrial development and capitalist agricultural development over and above social development of the majority of the population. Intellectually there are parallels between this and the classic two-sector ‘Lewis model’ which dominated India development thinking from independence onwards. This model stressed industrialisation and capitalist development of agriculture. The expectation was a gradual shifting out of the population from agriculture to industrial employment, and that this would lead to an improved standard of living of the masses. However, while Gujarat has a slightly above average proportion of the population working in industry and a slightly below average proportion of the population working in agriculture, compared to the all India average, Gulati and Shah (2011a and 2011b) argue forcefully that this does not amount to a Lewisian development trajectory, in part because there actually was a significant reverse employment development 2004-05 to 2008-09 (primary sector employment increased by 5 percentage points) and in part because the fruits of the development are not benefitting the working people to any significant extent. In line with this the fieldwork (see below) shows that the focus of the government is strongly on economic growth and, at best, economic and social wellbeing of the population is expected to follow at a later stage.

5.2 Fieldwork

The subsequent sections are developed from a combination of field interviews, newspaper reports and supporting literature. It starts off by investigating propertied classes owning capital and land and by posing a question as to how these classes act within the political realm; do they represent their interest through lobbies, if so which lobbies hold most dominant position in post
liberal phase. It lists the lobbies operating in the 80s and 90s. After 2001, to describe the Modi regime, mainly fieldwork material is relied upon to establish whether capitalists are able to earn state favours and support towards private investment. What changes in new millennium is analysed. This is followed by a discussion of issues specific to agriculture-policy—credit, land, chemical inputs using a political economy lens. Building upon existing literature and field information, the beneficiaries for such policies are identified. In the final section, relations between new and old institutions and propertied classes are examined to throw light on how the classes influence the institutions, both at realm of ideas and materially, in formulation of schemes and policies.

5.2.1 Lobbies in Gujarat: Before and after 90s

The 90s picture is largely drawn from literature, while some interview material bring out the differences before and after 2000. It is commonly said that the indigenous bourgeoisie come from different communities in the state including the Shah, Thakkar, and Vohra (Muslims) groups (three interviews: bureaucrat, activist and academic, Ahmedabad November 2012). These were the first communities who invested in secondary sector, and now are mostly based in Mumbai, Surat and other metropoles. Patels entered the game later but henceforth their importance has been steadily rising. A chief difference between the Patel and the other communities mentioned here is that the latter moved out of agriculture once they invested in the secondary sector. So they are dissociated from farmer interest unlike the Patels (Damodaran 2008, Shah 2002, Chandavarkar 1994). Banias, Jains, Parsis, Khojas and Brahmins who are part of the industrial class have had a historical advantage in the same; the presence of few monopoly capitalists in agri-business can be traced as early as 60s. For example, industrial houses like Mafatlal, invested in both oil-processing and cotton mills. Patels were late entrants and their initial investment was in agro-industries like mills, dairy processing and their strength was in formation of cooperatives (Rutten 2003). Relevant literature and my field interviews agree that the investment in setting up workshops and factories, be it sugar mills, diamond or chemicals is generated from agricultural surplus (Breman 1989); but Patels’ continued ownership of agricultural land and investment in the sector make them particularly relevant, given the focus on agrarian issues in the dissertation.

103 Discussed in detail in later sections.
104 Noted in Rutten (2003).
Patels are one caste group constituting the capitalist class. Although the majority of mill owners and diamond merchants are Patels, within the caste group they are a minority. In terms of number, many more Patels work not as capitalists in the diamond industry but as karigars (diamond cutters and polishers) facing hardship, violence and poor living conditions. Hence class and not only caste is more appropriate in explaining the phenomenon (Engelshoven 1999). Indeed, often both owners and workers belong to the same caste standing at two ends of the production relation.

The classes’ interest is surplus accumulation and a common modus operandi to advance this is to form political lobbies. Until 90s, the lobby which dominated Gujarat politics was the teli mafia (vegetable oil goons) (Mahadevia 2005). They hailed from Saurashtra. They were landed (never cultivators) and controlled the oil mills. But with BT cotton arriving, the groundnut crop which formed the raw material for the oil mills slowly lost its position to cotton. With groundnut losing its monopoly, and relaxation of restriction on oil import the teli mafia faced severe challenge. With introduction of GM seed, cotton production increased manifold.

Another important lobby was that of rice mills, but rice mills closed down in great numbers towards end of the 80s. This was caused by the fast adoption of commercial crops, as is evident from Bavala town (political leader Ahmedabad December 2012). The third lobby is the industrial lobby with control on different sub-sectors from chemical to real estate.

Extraction of oil from cotton seeds has replaced groundnut for households cooking purposes leading to loss of a lobby. However, this loss does not equate to loss of power of the industrial capitalist class over state. It is merely few instances of individuals losing out, the class in charge maintains its power on both economy and state by diversifying capital to new industrial sectors. Similarly, crops dominance might change decade to decade but the power remains with the same class of farmers (Breman 2007/ Rutten 2003). Rich farmers from Kheda, Bharuch, Surat and cash-crop producing regions of Mehsana are considered an important political force (Mahadevia 2005).

An organised voice arises from the diamond industry. Scholars have inferred a kind of horizontal unity among its members based on common caste identity along with regional roots in Saurashtra. They have migrated to Surat since 1960s. The migrants were originally middle farmers. The early migrants gradually accumulated enough to open workshops and factories
while those who came later did not own adequate surplus hence were forced to work as karigars (craftsmen) (Engelshoven 1999). The owners and traders are organised in Surat Diamond Association

Scholars have pointed out how the state has been furthering the interests of the urban classes in treating the secondary and tertiary sector as the vehicle of growth, but has also not left the big farmer class out of its beneficiary list. Gulati (1988) and Archana Dholakia (2002) show the huge subsidies that Gujarat offered to its farmers, more than other states. The subsidy was not uniformly distributed, groundnut production for instance was highly subsidised in 90s over other crops (ibid). Cotton in fact was thoroughly exposed to international market price fluctuations in the 90s. The support did not translate into overall high growth rates in agricultural sector at this point in time; the changes of the next decade will be discussed below.

5.2.2 New Millennium: state and class enter new relation

The industrial lobby has continued to enjoy utmost attention through the ‘90s but in a politically unstable climate. Modi’s ascent to power in 2001 and his fame has been related to a decisive government and promotion of high economic growth, often related to his successful wooing of investors by means of organising events such as the ‘global summit of investors’. He has been celebrated the world over including by the Times magazine as a global leader for achieving high rates of growth over a decade. The evidence is that in this period capitalists built stronger linkages to political parties, especially in the form of different lobbies funding major political parties and contributing to election funds (Navhind times 2012, Mahadevia 2005).

The super growth rates, 10 percent in secondary sector and service sector post 2000 can be ascribed to the state’s careful manoeuvring of policies. Sud (2007) argues it is caused by a convergence of political and economic power in Gujarat which has resulted in concentrating all resources to nurturing of capitalists. Several informants—activists, academics, political leaders—located in different districts—also pointed to the existence of such a nexus between the state and

105 The reach of this organisation can be gleaned from the fact that the owners acquire license for the diamond merchants to keep pistols with them. According to uncorroborated information from an activist working with diamond labourers, while the pistols are acquired using the plea of recent robberies, their actual use is in fact in controlling karigars (interview: Surat, May 2011).

106 These extra incentives were extended to cultivators of oilseeds under the Technology Mission on Oilseeds, a programme of state government.

107 This was prior to the introduction of BT cotton.
big corporate houses. In an extensive study on electoral candidates of Gujarat 2012 Assembly elections, it was found that 372 (22 percent) out of a total of 1660 candidates were crorepatis\textsuperscript{108}, only one percent more than 2007 Gujarat assembly elections (120 out of the 563 candidates analyzed) (ADR 2012). Out of 182 newly elected MLAs, 74 percent are crorepatis and within political parties, BJP had 75% of its MLAs in crorepati and Congress had 70 percent of its MLAs; even better were NCP and JDU whose 100% candidates were crorepati (ibid). The interviewees made observations regarding the state’s proactive role in acquiring land for private companies, signing MOUs facilitating land procurement in any corner of the state and advertising it as an industry-friendly state etc. Be it Maruti, or Tata, Gujarat has emerged as a favourite destination of corporates because of this agile attitude of the government. The bureaucracy is playing a conducive role in these transactions. ‘It is commonplace to accept that the government belongs to Reliance and Adani’ remarked an activist\textsuperscript{109}. Weak labour laws and easy availability of labour is also maintained to facilitate capital accumulation. The high growth rate has been at the cost of small enterprises. A trade union leader and an industrialist, thus located at the two ends of the spectrum, agreed that influence of small players have suffered in the past decade (Interviews, Ahmedabad 2011). Hirway (2012) makes similar observations. According to an Accenture study, the incidence of crony capitalism is high, tying together large domestic industry and government; and this is a factor affecting the entry of oil companies and MNCs negatively (Parekh 2012). Gujarat registered the highest grand corruption\textsuperscript{110} among Indian states in India, establishing inappropriate inter linkage between bureaucracy and capitalist class while only experiencing low in petty corruption which affects citizens in day-to-day activities (Bussell 2012). Rent accruing to bureaucracy has been high which is a possible reason for its support for procedures followed for rapid industrialisation.

Other than material gains, a significant role is played by ideas. The CM has been reported to inculcate his vision into the bureaucrats by interacting with them, particularly by organising workshops like the Chintan Shibir, a three-day exercise in which he, his Cabinet and officers interact to exchange and understand the agenda of the state (Mahurkar 2011).

\textsuperscript{108} Person owning more than Rs 10 million.
\textsuperscript{109} Reliance, Essar and Adani are three biggest corporates in the state controlling a large chunk of cement, power, real-estate, oil sectors. They are all Indian companies with headquarters in the state and big players in Indian economy.
\textsuperscript{110} Grand corruption is rent earned by bureaucracy through licencing, giving contracts to private companies etc.
Senior politicians from the main opposition party explained how growth has been achieved by giving undue advantage to corporate and big business houses. This was mentioned by four respondents, an academic, a CII member, a veteran political leader and a political cadre, all based in Ahmedabad. The political cadre stated that the total subsidy to the corporates was Rs 2,00,000 million between 2007-2011. For example, Essar, a leading corporate house has not paid taxes amounting to Rs 9000 million included in the total amount due to the government. The government has been reluctant in recovering this money. Recently Reliance has bought 16,000 acres in Bhavnagar with the purpose of establishing an industry. Only a part of land has been devoted to industry, the other part is allocated to growing mangoes. Legally they are now growers and exporters of mangoes, and thus qualify for tax exemption on agricultural income. In addition, the company has been demanding more land from government for staff quarters. The High Court has dismissed this, and asked them to use the mango plantation land instead (interview: political cadre, Ahmedabad 2011). Arguably, all figures might not be true and might be coloured by political enmity and vengeance and could not be verified, but academics indicated a similar biased treatment on part of the government towards the industrial class.

In 2013, the Comptroller and Auditor general found similar problems with the Gujarat government (the Hindu, 2013). It found undue benefits accruing to Rs 520 million for Reliance. Gujarat Urja Vikas Nigam Ltd., another department) failed to recover penalty of Rs 1600 million from Adani Power. Essar was found defaulting sales tax payment of Rs 61690 million by High Court (ET 2012). Similar observations have been made by other scholars (Hirway and Shah 2012). The capitalists, big or small, after extracting surplus from respective sectors have come to invest heavily in real estate, buying land in all parts of the state. Easy availability of land is in interest of the class as fervently pursued by the state (interview: an academic, a businessmen and an urban professional, Ahmedabad 2011). The crystallisation of new capitalist class has been pinned as the support base for the state pursuing such proactive industry-friendly policies. Sud (2007) argues that the class was disenchanted with Congress and its pro-poor, lower caste and pro-agriculture policies. They needed a decisive political voice which they found in BJP.

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111 Similar argument can be seen in Rutten (2003) p. 61 where he finds this across 59 families investing in agro-business and trade.
Gujarat has experienced a shift in dominant lobbies after 2000 due to new forces coming in. Two respondents, one working on labour issues over the past 3 decades in Gujarat and other, senior member of the CPI (Marxist) stated in their interviews that after 1990s, indigenous economic capital hold on political apparatus has grown but it has come to concentrate in real estate from diamond and textile (interviews: Surat April 2012 and Ahmedabad December 2011). The interests of the industrial capitalist are represented by different organisations like Southern Gujarat Chamber of Commerce and Industries. Southern Gujarat has cornered the lion’s share of capital within the state for past five decades, and 93 percent of state resource (Mahadevia 2005). They maintain close contact with state government and unions. They also represent the interests of chemical, pharmaceutical and IT companies. Other organisations include Federation of Gujarat Weavers’ Association (FOGWA) which is a union of powerloom owners; many of the looms are unregistered and/or are on paper in name of different owners who actually belong to one family. This helps evading labour laws applicable to big powerlooms (Mehta, Ahmedabad November 2012). Powerlooms are concentrated regionally and each loom has a leader who come together to form a federation. The federation presents their demand to the government. A well known spokesperson of the industry lobby reiterated that big corporates enjoy direct link to the state administration, which makes things faster. The small firms are left to negotiate through organisations. But he was quick to add that ‘all business derives support from present government’.

The state in turn tries to protect its allies’ interest by granting subsidies of different kinds. A veteran CPIM leader informed that the big powerlooms are given huge subsidy for buying new machinery once in every five years. To avail of subsidy, they sell old machinery which is bought by smaller powerlooms at low prices. The reason for operating as a small mill with 20-30 people is because these units do not fall under labour laws and so few rules are to be followed in informal economy, allowing higher surplus accumulation. Firms like Mafatlal, Vimal have now taken to outsourcing their work to these small looms. All they do is put their labels and organize the finishing of products. But post liberalisation, there has been another development in textile industry. 1,04,000 small units have closed down (Mehta, Ahmedabad December 2013 and Academic, Surat April 2012). In Marxian terminology, small firms have been subsumed by big corporates. A trend of monopolisation can be observed where economic power is getting contained in hands of few. The small textile firms have gone on to invest in share market, moving away from manufacturing.
One particular policy of Modi government to create congenial climate for all industries has been to weaken the implementation of labour laws, as was triangulated across three interviews. As argued in previous paragraphs, the state is actively supporting big business; while its passivity about recruitment of labour officers has helped furthering the interests of the same class. This has smoothened the casualisation of labour making Modi a favourite among business houses. The entire machinery of labour is suspended and labour laws have had little implementation with women among the most marginalised (for more details refer to Hirway and Shah 2011). There are 75 percent vacant seats in the labour department; even posts like Assistant Commissioner of Labour, the highest post in each district, is left empty. In Saurashtra, among 7 districts, there is only one Assistant Commissioner. Two respondents argued that this systematic weakening has made issues like minimum wage, timely payment of wages and dispute relating to labour laws redundant. Where will people register their complaints in absence of an operational department? This has also helped the industries who are increasingly using contract labour. This makes their liabilities less as often contract labour comes from other states like UP, Bihar, MP, Rajasthan, making the workers more vulnerable. So the government has managed to suspend issues of labour rights successfully (interviews: trade union leader and an academic, Ahmedabad October 2011). There is no official data on wages available in the state and as an activist stated ‘Modi in his attempt to befriend industries, has crushed the rights of labourers. The same attitude finds ramification in indiscriminate transfer of agricultural land to industries under present government over past one decade (discussed in next section). Both national parties, BJP and Congress have unions under their wings, but both have attracted limited numbers (interview: academic and activist, Ahmedabad October 2011).

The industrial interest also assumes positions of authority within state institutions. For instance, the former Chair of the Gujarat Chamber of Commerce and Industry became Gujarat Chief Minister for a brief period. He had changed his party affiliation thrice, between 1990 and 2002, being member of both Congress and the BJP. Party ideology hence becomes secondary to class interest.

Aftermath of liberalisation policy, my fieldwork triangulated the dominance of the same mercantile-financial-industrial class in 2000 but in guise of new interests. The community which has been in forefront of this class is the Patidars along with old business communities. The state government has been very welcoming to investments from non-resident Indians (NRIs). It is however not a benign capital investment to reap profit, rather has communal overtone. An
instance can be traced to Godhra\textsuperscript{112} when various NGOs and trusts received funds from foreign investors to propagate hate-minority sentiments in Gujarat (Oommen 2008). The inflow of foreign capital has continued after 2002. The most desired areas of investment are banks and shares—financial capital, and of course property (farmland, residential plots and apartments). Other than this, they have invested in family business as a broker pointed (Kheda 2011). This forms the spine of Gujarat economy making it less dependent on foreign capital from MNCs and corporate (Rutten and Patel 2002, Hirway 2012).

In last decade, large-scale agriculture has gained profitability. Capital has assumed new class character, where agriculture’s surplus is crucial in formation of merchant capital class but has reduced dependence on the small farmers who are fast replaced by technology unlike the case of Chhattisgarh. The emerging entrepreneurial groups who made transition from agriculture to agro-industry and plastics, chemicals, dye, pharmaceutical industry etc., simultaneously moved from rural to urban living; as evident from Gujarat’s rapid urbanisation from 25.7 percent in 60s to 43 percent by 2011 (Census 2011).

5.2.3 Game of gold and growth

Elections in India incur high expenses, and this is certainly the case in the state where most of indigenous capital comes from. Actual numbers are elusive but according to one informant contesting elections in the state needed ‘high investment’, more than Rs 10 million comparable with Karnataka as the next chapter reveals (interview: political leader, Baroda 2011); Later confirmed by a senior political leader (Mumbai August 2012). Indeed, the use of the ‘investment’ term indicates what politics means to such candidates. Materially, this investment makes alliance with the rich essential to succeed in politics. ADR shows the per candidate expenditure which runs into millions (ADR 2012)\textsuperscript{113}. Political leaders are either economically powerful by virtue of belonging to propertied class; so they enter politics to promote their class interests; or, they acquire power with help of the industrial class and the big farmers and serve the latter’s interests once they assume office. It was reported recently that most of Modi’s visits to different parts of India and abroad are directly funded by the corporates and he travels in their private jets (DNA, 2012).

\textsuperscript{112} Godhra refers to a communal violence which occurred in central Gujarat in 2002 and evidence find that it has support from the state officials and thus a part of BJP agenda (Oommen 2008).

\textsuperscript{113} It is difficult to assess the validity of these statistics as 56 MLAs claim to have incurred no expense on fighting elections.
Industrialists have emerged as favoured candidates of both national parties, the Congress and the BJP. Candidates, especially in south Gujarat, are industrialists, hailing from textile, real estate, diamond industry. The Congress spokesperson candidly argues that this is because they understand the interest of the industrialists better. The literature suggests that the industrial class invested 10,000 million in the 2007 election (IBN 2007, Krishnakumar 2007). Respondents across districts maintained that the industrial class has close links to the present government. This was also confirmed by the senior member of the industrial lobby, himself being in thick of things (Murat Ahmedabad, 2012). Another instance was in Surat, a sugar factory owner has run for assembly elections. A case of an entrepreneur, who also heads the cooperative bank, so has access to finance and exerts political power. He happens to head to dairy and own land, so has relations in agrarian economy but at present should be classified as a capitalist. As Jessop (1983) had predicted, the state and capitalists have come to interchange their positions, ‘personal fusion’ which results in state’s effort in forging capital accumulation. When election funding and politicians both come from a particular class, where does the state support go once elections are won? This is a rhetorical question. In Gujarat, democratic practice and ethics have weakened. Increase of criminals in politics was noted in interviews (scholar, Surat May 2011 and CSS report). With the market and the state coming uncomfortably close over the past one decade, the adjudicator and beneficiary interest has become the same defeating the point of democratic institutional arrangement.

‘Development’ is the other card which is connoted as attracting highest investment to the state. This has been achieved by facilitating land transfers and water from agriculture to industry. There were at least two interviews where it was indicated that Narmada water under Sardar Sarovar project (SSP) has been diverted to industry, at the cost of agriculture. This has made him immensely favourite among the urban middle class and businessmen, which is Modi’s main support base.
5.3 Agricultural policy for big farmers

In this section the key elements of state agricultural policy after 2000 are outlined. This draws on an important article by Gulati and Shah (2009) article\(^\text{114}\), as well as the state government websites. It is followed by a discussion of the possible implications for different classes of farmers. It was often stated by scholars and activists among other respondents that there is no comprehensive agricultural policy, and that many aspects are contradictory in Gujarat agriculture. Several single policies have been pursued since Modi assumed power. An Agro-vision 2010 document exists which mainly sets certain goals rather than providing a planned path. The central goal and emphasis of all policy and interventionist schemes are on achieving economic growth in agriculture. It has been openly admitted that the state will facilitate a linkage between farmers and international markets under the WTO regime (p.305).

I will argue below that the government operates a sharp distinction between resource-rich farmers (as a senior government terms them “capable”) and the rest. The Gujarat government is taking a classic developmentalist policy with two prongs: pro-industry and large-scale farming. A pivotal problem of such a vision is it pays little attention to the small farmers and wage labourers, who form 88 per cent\(^\text{115}\) of the state agricultural population. They are resource poor, have lack of access to formal credit and irrigation, imperative to survive in investment heavy agriculture that the state envisions. The state is keen on pushing chemical inputs and hybrid seeds, procured from MNCs to achieve higher growth rates. However this is not a case of absence of policy. Even if some aspects of policy are not implemented, the main agenda set by the ruling classes is being taken forward. I will now proceed with a detailed analysis of implemented government policies.

➢ Power access

During 2003-06, the Gujarat government introduced the Jyotirgram Yojana programme (JGS). The aim was to provide 24/7 power supply to villages. To achieve it, effective rationing of farm power supply was undertaken (Shah 2006). This led the government to invest Rs 11,700 million

\(^{114}\) This article has been at the centre stage of all discourses on Gujarat agrarian economy in the last five years. So this classification is not merely from an article but carries much more weight. It is also takes in account both agro-climatic and economic factors which is important for a political-economy perspective. So I decided to use it in the chapter over other classifications.

\(^{115}\) Calculated as marginal, small and semi-medium farmers plus agricultural labourers as per 2010-11 data (Planning Commission).
in separating agricultural feeders from non-agricultural feeders throughout Gujarat (Shah and Verma 2008). Scholars have found that the increased access to electricity has made a difference in cultivation but only for those who can bear the cost of an electric pump for irrigating. The small farmers bear the additional cost of hiring pumps to irrigate their fields (Kumar, Singhal and Rath 2004, NCEUS 2008); a finding which was corroborated in field interviews. The government concentrates on those who are already ahead in the race.

Intense water shortage and poor public irrigation in the region has put tremendous emphasis on agricultural mechanisation and private underground irrigation which covers 78 per cent (Mehta 2012). The logic behind Electricity bill 2003 is efficiency removed from any social agenda (Joshi and Acharya 2005). This has ensured better supply of electricity but limited it to capitalist farmers who could increase yield in adverse water-table conditions. But technological innovation has reduced labour use and in some cases, made them redundant. In present era, small farmers are losing control of resources, land and water which are deepening historical inequalities. Middle farmers have diversified in trade and business.

➢ Infrastructural support
Gujarat has invested heavily in roads. This has facilitated transfer of milk from villages twice daily. This has acted as a catalyst in improving rural road connectivity. Indeed, many dairy unions and other private investors contributed to road construction (Breman 1989); the National Dairy Development Board even gave a large loan to the Gujarat government to construct/ resurface rural roads. Today, Gujarat has 37.77 km of roads per 100 sq km and a road density of 1.35 km per sq km. Road coverage is almost 98.7 per cent in the state. The government claims that while Gujarat invested Rs 34,840 million on roads during the 40-year period during 1960-2001, it has invested Rs 47,830 million during seven years from 2001 to 2007. The road density in the state stands at 146 km per 100 thousand of population higher than the all India average of 126 km per 100 thousand of population and is higher than Maharashtra and Karnataka. Whether it facilitates small farmers or pushes them further from market remains a question.

➢ Access to Market
Gujarat was amongst the early states to amend the APMC Act to enable farmers to directly sell their produce to wholesalers, exporters, industries and large trading companies without having to

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116 By 2006, over 90 per cent of Gujarat's 18,000 villages were covered under the JGS.
operate through *arhatias* or commission agents. It also allowed large players to establish spot exchanges. The amendment also helped create conditions conducive for the spread of contract farming since sourcing from farmers directly has transpired in the big corporate deciding which crops are to be grown and then procuring them from the field. The government has been welcoming large corporates to establish retail chains and source their requirements directly from farmers.

- **Offered higher subsidy for encouraging commercial crops**

  Gujarat government has also pursued aggressive policies to promote diversification to high value crops, especially fruit and vegetables, and spices and condiments. For example, it began offering farmers direct capital subsidy of Rs 250 thousand to set up green houses, besides 25% relief in electricity duty. These measures have produced some outcomes. For example, between 2000-01 and 2005-06, Gujarat's horticulture production increased by 108 per cent (Government of Gujarat 2009a). Quoting government documents "it was under active government consideration to lease out wastelands so as to cultivate it using modern technology for horticulture and biofuel trees to the big corporate houses and individual resourceful farmers" (Bharwada and Mahajan 2006).

- **Efficient disbursal of Institutional Credit**

  Gujarat farmers have moved wholesale from a 13:7.5:1 nitrogen-phosphorous-potassium composition to a 6.5:3.5:1, thereby reducing cost, optimising production and improving net income. The farm credit system too has been revitalised. Agricultural loan disbursements in Gujarat have clocked 22-25% annual growth rate, thanks to supportive government policies. In the three years ending 2006-07, for example, agricultural loan disbursals in Gujarat doubled from 47,350 million in 2003-04 to 1,04,680 million in 2006-07.

- **Cotton**

  The highly remunerative minimum support prices (MSP) for cotton and wheat and other crops paid by the central government have provided strong incentive to farmers to increase production (Shah et al. 2009). For Gujarat farmers, of particular significance has been the high MSP for cotton since the Cotton Corporation of India has a sizeable procurement operations in the state. Export demand for cotton has been strong, too. During recent years, Gujarat has emerged as India’s largest cotton-producing state and a major cotton supplier to China.
At a more generic level, Bhaumik (2008) highlights that Gujarat has a poor awareness of price policy and procurement agencies. Only 26.7 per cent of farmers are aware of MSP while only 14.3 percent knows the whereabouts of the procurement agencies (p.148). Bt cotton has increasingly been sold at market prices since it has a high export demand so farmers prefer selling to traders rather than state agency. Further, the food grains that the state produces, viz, Jowar, Bajra, and Maize are not important in the Central government’s procurement priority. So price policy’s effect is thus limited.

➢ Water is a premise on which the green revolution and its success rests. Making water available to farmers has been a claim to fame for the present government. Sardar Sarovar Project has been providing canal irrigation in southern districts and the well known Green Revolution company has been created to implement micro irrigation systems. Gujarat has raised the dam height under the Sardar Sarovar Project to 121.5 metres; and there is enough water in the dam to irrigate 1.8 million hectares, as planned. Despite the long years of struggle in the ‘90s to stop the dam construction, under the Narmada Bachao Andolan, little heed was paid by the state government. Canal irrigation covers 18 per cent of total irrigation of the state and 4 per cent by tanks and other sources. In northern districts, 90 per cent of irrigation is from private borewells and tubewells alone, while the state average is 76 (Mehta 2012). She argues the over use of ground water was triggered by introduction of hi-yielding seeds and incentive oriented pricing policy (ibid).

➢ Modi has recently announced the upcoming ‘Second Green Revolution’ and set up a company to deal with it. It will subsidise new means of irrigation like drip and sprinkler and thus bolster agricultural productivity. Another technological measure to address the environmental hazard but highly capital intensive. GGRC implements the micro irrigation scheme of Govt. of Gujarat and Govt. of India in uniform subsidy pattern of 50% of the total MIS cost or Rs.60,000/- per hectare whichever is less. The unique features of the scheme is hand holding the beneficiary farmer by facilitating bank loan as per need, providing with insurance coverage for the system as well as the beneficiary for a period of 5 years, agronomical services rendered to the farmer for 2 crops and maintenance of the system by the MIS suppliers.

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117 The movement brought environmentalists, social workers, adivasis and media personalities together.
The policy measures are biased towards big and capitalist farmers as listed in the above section pursued over the last decade, which find a new force in Agrovision 2010 prescriptions (GoG). The emphasis since 2000 has been on hi-yielding seeds and chemical pesticides, high value crops (horticulture-floriculture), private irrigation and a differentiated credit policy. Modi has stressed that the state will facilitate linkages between farmers and international markets under the World Trade Organization (WTO) regime (Bhaumik 2008: 305). As elsewhere in India, the state aims at increasing productivity by using technological solutions, giving no attention to distributive aspects of agrarian structure. Given each of these measures is capital intensive, it is expected to have differentiated impact across classes of farmers. This speculation shall be tested with field evidence.

While these policies and 10 percent growth seem to indicate stupendous development, it should be recalled that when it comes to capital intensive initiatives, it is to be expected that small farmers cannot easily get involved. In words of Shah (2005), ‘nature’s agency makes cotton cultivation a risky and uncertain enterprise to the extent that the nature of work needed to compensate could potentially be afforded by those mighty enough, historically, socially and materially’. Breman (2007) likewise argues that the growth has excluded the huge majority of small farmers from its benefits. He lists two tools commonly used in South Gujarat to keep the landless farmers in their status quo; one is the indifference of local authorities and the other is the ‘downright sabotage’ of village elites. He argues that the landowning castes are conscious that empowering the lower castes, located at the foot of the economy, would corrode their powerbase.

The interview with a technocrat helped me understand the big picture of agricultural policies (interview: Ahmedabad, November 2011). She argued that agriculture is not a viable occupation given the small size of holdings. Further, small farmers are moving out of agriculture and are selling land for their ‘lifestyle aspirations’. So the need of the hour is ‘to craft a policy to allow people to move out of agriculture’. In her interview the questions that arose repeatedly was the ‘viability of agriculture’. This indicated, intention behind government’s attitude to agriculture –

- Systematic conversion of small farmers into landless labourers who, ideally, would find work outside agriculture.
- Allowing concentration of land holdings in hands of few which would be useful for technology-driven commercial agriculture.

An advisor to government taking the productivity argument and reiterating government success by quoting growth figures, dismissive of any question on inequality or rising cost of cultivation gave me some sense of the development agenda pursued by the state government. The core principle of state agricultural policy under Modi is to maximise production of high-value/commercial crops to ensure growth in agriculture and to appease the rich, capitalist farmers. In ensuring growth, the state is also supporting corporates’ entry in agriculture.

This direction to agricultural policy gets support from Sud’s (2007) writing where she mentions the *Visva Samvad Kendrait.* The document argues that the corporatisation of agriculture is the only way to make it commercially viable. It also encourages agro-industries for the same purpose. But as expected it has no mention of small farmers, or those who cannot afford an irrigation pump. The same style was replicated in an interview with a senior bureaucrat in Agricultural ministry. He stated that the Gujarat government is all for those who can make use of opportunities, ‘they ask and we give’. Migrant labourers are a problem and mechanisation is useful as it lowers the demand for labourers in agriculture; those migrating from other states are forced to go back. Social and economic redistribution goes unmentioned. To quote him, ‘we are not pro-poor, we are pro rural economy growth’. He accepted that big farmers can adopt any new technology first, be it tractor or pumps, but, to him, this has a ‘demonstration effect’ thus spreading to other farmers. He claimed to know of at least 500 farmers who earn more than Rs.100,00,000 and he had many stories of how horticulture and floriculture have increased farmer income by leaps and bounds. But the catch is cultivating such crops needs high levels of capital, which is only possible to raise for the already rich capitalist farmers or corporates. Before commenting on these questions, an understanding of different classes operating in agrarian economy, their regional location, crop preference and methods of cultivation would be useful. The following section deals with these issues.

5.4 Profile of farmers, regionally and crop-wise

This section deals with class-caste analysis of Gujarat agrarian society. It is based on secondary literature and fieldwork material.

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118 This is a pro-industry publication of the Hindu Right.
5.4.1 Landholding consolidation and emerging factions within big farmers

In order to understand recent changes in agriculture, the following table shows the pattern of landholding change between 2005-06 and 2010-11, pointing at the possible affect of the policies being scrutinised. The subsequent sections will look into changes but informed by qualitative data.

Table 5.2: Land holding distribution

<table>
<thead>
<tr>
<th></th>
<th>2010-</th>
<th>2010-</th>
<th>2005-06</th>
<th>% variation</th>
<th>% variation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>Area</td>
<td>Number</td>
<td>Area</td>
<td>number</td>
</tr>
<tr>
<td>Marginal</td>
<td>1748</td>
<td>857</td>
<td>1585</td>
<td>792</td>
<td>10.28</td>
</tr>
<tr>
<td>Small</td>
<td>1380</td>
<td>2004</td>
<td>1345</td>
<td>1959</td>
<td>2.57</td>
</tr>
<tr>
<td>Semi-medium</td>
<td>1042</td>
<td>2886</td>
<td>1081</td>
<td>3004</td>
<td>-3.53</td>
</tr>
<tr>
<td>Medium</td>
<td>496</td>
<td>2835</td>
<td>582</td>
<td>3380</td>
<td>-14.75</td>
</tr>
<tr>
<td>Large</td>
<td>72</td>
<td>1397</td>
<td>68</td>
<td>1133</td>
<td>5.49</td>
</tr>
<tr>
<td>Total</td>
<td>4738</td>
<td>9979</td>
<td>4661</td>
<td>10269</td>
<td>1.66</td>
</tr>
</tbody>
</table>

Source: Agriculture Census 2010-11
(Number in '000), (Area in '000 ha.)

The steep concentration of land area under large holdings over a period of literally five years indicates a consolidation of big farmers, unlike the case of Chhattisgarh (and, as we will see later, Karnataka). This indicates that for some, agriculture is regarded as a profitable enterprise. Another possible interpretation is that large scale farmers are adept in capitalist agriculture and supported by state subsidies; and one may speculate that they gained leverage in the state. The following sections are a qualitative account of what policy initiatives have been taken to lead farmers into capitalist agriculture, which is most effective here unlike other parts of India. The effect is differentiated across class lines which cannot be equated with landholding size alone but rather has to take in account access to credit, technology, irrigation and surplus from trade and
agri-business. The following sections discuss the different factions within farmers with large holdings relating to their means of production and their location in political and economic arena.

5.4.2 Landlords

Landlords are those with traditional big holding. A reputed scholar pointed out that two castes, Kshatriyas and Darbaris were the original big landlords, but over the last 100 years their social dominance has diminished significantly. The Kshatriyas lost their land to their tenants, the patidars. Absentee landlordism paved the path for the efficacy of tenancy reforms in Saurashtra. This was an effect of tenancy reforms and also the extravagant habits of Kshatriyas, which cost them their property. This has resulted in downward mobility of the Kshatriyas. This was widely accepted by other respondents. With introduction of land ceiling, 16 acres of arable land was the permissible biggest holding size and absentee landlordism also received a severe blow. During acquiring land, state paid huge sums to landlords for land that was forfeited (interview: Shah 2011). They invested the cash in industries. Their rising purchasing power also created demand for industrial commodities. So despite losing their erstwhile position in agrarian economy, economically they remained among proprietary classes. Politically, they did retain some significance.

There are vestiges of old landlord class in different pockets like Balasinor, Jambughoda, Baroda and Devgarh Baria. Members of landlord families have fought elections under different political parties. Erstwhile landlords have become part of ruling political and economic class. In the recent Sadbhavana fast of Modi, Dahod king was seen on three occasions with his mother and former state minister and former Devgadh Baria MLA Urvashidevi Maharaul. Urvashidevi (mother) had resigned from BJP as she is seeking ticket from Congress and now she is being seen seeking patronage from the BJP. Stronghold of the royalties in politics reflects their hold on local population as continuance of traditional loyalty; a probable reason enabling them to gather votes (Sharma 2012). The landlords in Mehsana district owned a huge share of the desert and those in Banaskantha, had a prevalence of jewellery makers and stock brokers. They have gradually divorced from agrarian income as the main source of accumulation. Across interviews, it was confirmed that they do not occupy the central stage of politics or economy. Their

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119 A very poor district in Gujarat.
relevance is limited to respective districts. The landlord class has not invested in capitalist agriculture, neither have they consolidated their land holdings.

5.4.3 Big is capitalist

At the outset, it should be noted that the literature review presented here is selective to bring out the caste and class relations within agrarian society and its change during last six decades, minimising on technical issues.

The best starting point to understand formation of big and capitalist farmer classes is an excellent anonymous article from 1966, which analyses district-level dominant classes and castes. We will refer to it to identify the roots of the big farmers and capitalist farmers. What emerges from the article is that Kheda, Mehsana and Banaskantha districts in the north, Baroda in south, and Sabarkantha, Panch Mahal and Saurashtra had a significant presence of big farmers (EPW 1966). The other aspect that emerged was the big farmers’ engagement in trade alongside agriculture. Being commercial crop producers, agro-processing and agro business come as ‘automatic appendage of cultivation’. In this sphere, cooperatives surfaced in many districts as an important institution of agri-business. Similar observations were made by Damodaran (2008) who showed that ‘cooperatives were the launch pad for the Patidars’ who in past two decades have steadily moved to other industries leaving the cooperative space for other castes’.

Kheda was an area dominated by the Patidars. They moved to Africa in early 19th century and subsequently in ‘50s to United Kingdom. The migration was triggered off by the great famine in early 19th century which made earning from agriculture a high risk affair and so they began trading. The ‘better off’ within the Gujarati business community were the first to migrate. The other factor was generational land division resulting in progressively smaller landholdings. Migration reached its peak in 1920s and 30s, with the World Depression. Famine and plague in their native villages contrasted with upcoming white-collar job opportunities in colonial Africa, which pushed and pulled many (Rutten and Patel 2002). The accumulation of capital that the community undertook gained them socio-economic power (ibid). The next phase of

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120 Information on landlords was limited as I did not visit these districts where they were concentrated. With rapid rate of industrialisation and urbanisation, I realised they did not form an important part of the agrarian structures nor had decisive role in related policies.

121 The Charotar Patidars were the first to migrate, originally from south and central Gujarat.
accumulation came with tenancy reform when they gained land titles. During the green revolution period, fast adoption of technology and commercial crops generated agricultural surplus. This along with trade surplus was reinvested in trade and industry.

The Patidars did not divorce themselves from land unlike the other communities (Banias, Jains, Parsis, Khojas and Brahmins). Traces of beginning of a capitalist-farmer class, who paid attention to increasing landholding and buying better farming equipment have been identified by several renowned scholars (Sud 2011, Rutten 1986). At the same time Patidars moved to urban centres and investing in industry (EPW 1966, Rutten 1989 and 2003, Damodaran 2008). The big farmers had bought huge tracts of land in other districts like Sabarkantha; so they have reproduced their dominance on agrarian economy across districts. Likewise Panchmahal district had similar linkage with central districts of Baroda, Anand and Kheda. In this phase a political alliance operated in Kheda between the Kshatriya big landlord and the Patidars, both supporting the Swatantra party, showing early signs of a class alliance being forged across castes (Shah 2002).

In Mehsana big farmers and traders, often overlapping, wielded political power in the ‘60s (EPW 1966). Prakash (2005) observes dug wells started drying up in Sangpura village in Mehsana district in the 1960s, successively rich farmers adopted deep tube wells. The technology was underpinned by a class bias, rich got richer but small farmers faced twofold suffering. Productivity fell and they incurred rent for pumps as an additional component in cost of production (ibid). With the betterment of irrigation facility, the agricultural surplus grew steadily. In Saurashtra district, groundnut cultivation generated enough surplus to allow big farmers to invest in other sectors. Thus oil processing units took off in Saurashtra (EPW 1966). It should be noted that Saurashtra registered the highest number of absentee landowners. So those who were farmers in paper had little to do with agriculture.

So far, we have found a continuous exchange between two sectors - agriculture and trade and agro-processing industry. In recent decades along with these surplus, capital has penetrated the entire economy investing in large scale agriculture thus altering class equations. I will now go through the field information to analyse the position of proprietary classes, their source of income and position in present context.
During fieldwork, significantly, there was no instance of a big farmer who did not take to capitalist methods and cash crops among the ones I met. My sample is limited but respondents from different districts (Kheda, Mehsana, Banaskatha, Baroda, Anand) as well as development professionals working with farmers were in consensus. In this section we will go through a few case studies of big farmers who were interviewed directly or about whom I was informed about during my fieldwork.

In Mehsana district, I held an FGD with the Wagela community; one big farmer and the others middle and small farmers. There were dalit bastis in the village which consisted of marginal farmers or wage labour and were working for the respondents’ land. Haribhai took me to his field, which was sprawling acres of tomato plantation. He has four sons, and they have invested in other business in nearby cities. The grandchildren have also moved with their parents, only the eldest grandson lives in the village and takes care of cultivation. On being asking why has he been unfair to his eldest grandson by disallowing him to experience the city? Haribhai promptly replied, ‘he too has a shop of water purifier in Khudi. He goes every week to supervise the sale and check the accounts. But he chooses to live in the village and take care of his grandparents.

He showed me around the village and the ghetto where the lower caste people lived. He informed that they work in the field but are not allowed to interact with upper castes.

As a reputed academic and activist had explained, in Gujarat, ‘agricultural surplus is invested in service sector by big and even middle farmers. But unique to the state, a part of income generated from service sector is also invested back in agriculture in buying land and expanding property’. Typically if A, B, and C are brothers, then A would stay back in the village to take care of the agricultural land, while B and C would move to urban areas and invest in business. Then a part of profit would be used to buy land in villages. As a result, land tends to get concentrated in hands of big farmers as reflected by land ownership statistics between 2005-06

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122 Bikabhai Gopaldas, Sumanbhai Bababhai, Bipinbhai Maganbhai, Pralatbhai Vikabhai, Girishbhai, Haribhai Mohanbhai (head), Chandrakant.
123 Basti depicts small shanties as opposed to big houses owned by upper castes. This is a result of spatial separation amongst different castes, where families from lower caste live in same neighbourhood away from other middle and upper castes.
124 Another grandchild who lives with them is a young girl of 10-11, who lost her mother.
125 See also Rutten (2003).

183
and 2010-11 given in table 5.2. The small and medium farmers tend towards being wage labourer, with loss of their land ownership.

Ganapatbhai Somabhai, Khudi, Mehsana was the contact person who organised a FGD. The village he resides in is located closer to city than the previous one. He informed that ‘most well off farmers have opened stores in the market in the nearby city. They also have shops in Mehsana and Ahmedabad. These are largely textile shops selling clothes and running material. Some have also opened agro-input shops in last decade. A picture triangulated by different respondents.

Haribhai is another big farmer I met in Saurashtra. He owns 35 acres in a village at a distance of 25 km from Rajkot city. He narrated the story of rapid industrialisation and urbanisation in his district. On the way to his village, I observed huge 5-star hotels being built and the entire road was full of ongoing constructions. He informed that in these villages’ land were taken up for building resorts and houses. The farmers have lost their livelihood in Iswariya village and now own only own residential plots. There were 257 farmers of whom only 20 remain. Some of them have opened mobile stores in city, some have opened paan/bidi (betel leaf and cigarette) shops. While some who had bigger holdings sold their land in staggered manner to have income over a longer period of time. Admittedly, a large part of their income was spent on consumption goods like bikes, house repair etc. Several cases were reported where individuals were living off the money from the sale of their land without entering into any productive employment or business thereby disrupting their work life.

As I entered his village, I saw few two storied houses with iron gates and glass windows. When I enquired about the owners of these houses, he told me that they were into iron business and lived in the village. The houses were big and did not resemble a common farmer house. He started off with ‘hum sabhi kisan hain’ (we all are farmers), though in course of interview he revealed most big farmers do not cultivate their land (as expected) and hire labour and few families live here but do business outside. Their land is on lease. These few families are the owners of the huge two-story houses. He added,

in my community (Patels), tilling land is not regarded as a prestigious profession. It is difficult to get sons married off if they are farmers. We hire labourers, who come

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126 He insisted on payment for organising the meeting, which recurred in Gujarat, an aberration from the other field states.
seasonally from Madhya Pradesh, Godhra, Vadodara, Rajasthan. This in-migration has been prevalent over past one decade and they come with their families. The wife and sons also work in fields, especially children who are useful in plucking cotton seeds. Some of them have small holdings in their own villages and learn techniques from us over 3-4 years. We have the most advanced techniques. Later some of them stop coming and leases land in own villages and cultivate with these new techniques. We go to mandis (local market) to sell our produce, and there the dalaals (middlemen) fix prices. Even in election of pramukh (head) of APMC, there is politics and parties push their candidates. Though 50 to 60 percent of price goes to dalaal, we still prefer selling to them. If we try to sell in cities, people offer us low prices. Urban people can differentiate between farmers and dalaals, and always pay us less (Rajkot May 2011).

In Charotar district, a respondent was an organic farmer who had recently received an award from the government for his organic methods. This area is known for tobacco plantation, another commercial crop and is a forerunner in formation of dairy cooperative. His uncle is a big khedut who owns the local rice mill, used by all farmers; it is a case of diversification of big farmer into agro-industry. He mentioned life in village was as good as in city, so people continued to return to villages. There is AC, television and all modern amenities with the quiet and green of village life. He explained the village took longer to progress since families were not keen to send children abroad but at present, the practice has begun. This has brought extra income to villages and added to prosperity. This picture of rural life was starkly different from the broken down jhuggis I saw, or the migrant labour I met in trains. Quality of life in Gujarat was certainly better for the particular class than in the other states I visited. Their children have been steadily going abroad on students’ visa from this village.

A senior academic who has conducted fieldwork in Anand district informed me that the big farmers have invested in tobacco-curing plants; another agro-industry linkage to big farmer. Kin relations do play an important role like in diamond polishing. This was observed in case of Surendranagar where small farmers started working as labourers in the tobacco-curing plant. But the hiring remained limited within the community until recently, when other castes were also recruited (Hitesh 2011). Trust is largely a factor within the community and opportunities are thus limited to members of the community.

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127 Slum type housing.
Although the respondents were limited to big farmers, south Gujarat presented itself as a severely segregated society with prevailing class oppression by the big farmers on the landless, latter having an overlap with lower castes. Speaking to small vendors on train or visiting nurseries on highway outside Surat, gave some insight. Despite moving out, the NRI community continues to own land. They appoint agents, often a family member who act as manager; in turn, labour performs the same task albeit for an absentee landowner. The adoption of new techniques has been their forte, transforming them into capitalist farmers in some cases or absentee landowners (Breman 2007). The investment in trade and agri-business continue in present era. Some new avenues have been added like input shops and hiring out machinery, opening new avenues of income for the class. Thus they are beneficiaries of neo-liberal policies and oppressors of the small farmers earning both profit by selling inputs and earning rent by hiring out machineries.

These regions remains in focus in next section due to rise in acreage under high value crops but grown by a new faction.

5.4.4 Gentleman farmers in driver’s seat

A wave of technology-intensive new agriculture has taken root in the state. There has been a steady shift from food grains to cash crops (Dixit 2008); the latest wave has been a shift to floriculture and horticulture by capitalist farmers, given its high rate of profit; but there are urban professionals entering this production as well. These farms are concentrated in south Gujarat. Bardoli, Navsari are two such areas. In interviews we found that the farmers (on paper) are NRIs who have bought land in south Gujarat in the last decade. Though law bars outsiders from buying land, their land acquisition has been smooth. These new farmers are urban and invest surplus from other sectors in agriculture and focus on metropolitan and export markets. A typical example of gentleman farmer\textsuperscript{128} is the following:

“Bhakta has planted about 60,000 Gerbera plants and 56,000 carnations as well as several other flowers in his farm set up. He has “incurred a cost of Rs 13 million in setting up this project in 2005 and expecting a turnover of Rs 35-45 lakh (0.1 million) this year” (ET 2007).

\textsuperscript{128} Daniel Thorner discusses this category.
These farmers are distinctly different from our common notion of ‘farmer’. They are investing money earned in secondary and service sector, both in India and abroad in technology-intensive agriculture. To them, floriculture and horticulture are good business ventures. Mr Mahendra Patel, as mentioned in ‘the Hindu’ newspaper, is one such example (Pandit 2010). They do not work as cultivators and are keen to use greenhouse and other modern technologies to maximize yield. Neither are they dependent on debt from informal sources. Further the government is attentive to their needs, giving subsidy on buying machinery and facilitating market connections. They are unaffected by the present agrarian crisis. At the border of Surat city, I visited nurseries of 8-10 acres, adopting technology intensive, mechanised capitalist method. Another family farm I visited in the same district had a huge two-storey house; the mother informed that her son had completed his post graduation in bio-technology and had hence started floriculture in their ancestral land. It is considered profitable and therefore the new venture.

A journalist informed me in a telephone interview that Mumbai-based businessmen are investing heavily in floriculture and horticulture firms through contract farming in Surat and Bharuch. ‘Both investment and land are theirs, so profit accrues to them. Despite the labour contributed by local small farmers and landless labourers, the latter has little benefit from new cropping pattern. It is possibly true that there are smaller farmers who are also adopting to these crops but they are too small to make a difference in such a big export market or get a decent share in the pie’. When I met a lady selling fruits in a train from Ahmedabad to Mumbai, I asked her, do you grow these? She replied with a smile, ‘hum kahan?’ meaning how can we? This statement was a snapshot of ground reality of fruits and vegetables sector, the supposed trophies of the Gujarat government.

Under the new policy regime, the sector has assumed an organised character, facilitated by access to latest technologies, global markets, irrigation and inputs from foreign companies. The investor is called a ‘farmer’ who hires managers to run the production. Naukri.com advertises for hiring managers for floricultural firms in Gujarat. The manager hires the labourers who work against wages. Firms include private companies like KF bioplant, Pepsi among others. The state is supportive of them as they are the big contributors towards agricultural growth of the state.

Even bigger players like Champion Agro Fresh, a private company, have entered the agricultural rural market. Their promise is to provide solutions to farmers, from fertilizers to technology and

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129 A popular recruitment website.
also teach them how to farm fruits, like pomegranate, maize, banana—an end-to-end solution. I met companies who have developed a 1000-acres farm where these crops are being grown, near Rajkot. This model has a demonstration effect, thus imbuing the culture among other farmers. Their clientele consists of farmers with 4-8 acres, middle farmers by Gujarat landholding classification. Originally a farmer, the owner previously ran a Magnetic Electric Company but in 2009 he entered the agro-input sector seeing its promising returns.

**Table 5.3: Area and Production in flowers, vegetables and spices in Gujarat**

<table>
<thead>
<tr>
<th>Year</th>
<th>Fruits</th>
<th>Vegetable</th>
<th>Spices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>P A</td>
<td>A P</td>
</tr>
<tr>
<td>1982-83</td>
<td>73</td>
<td>1666 84</td>
<td>1467 110</td>
</tr>
<tr>
<td>1992-93</td>
<td>110</td>
<td>2127 104</td>
<td>1637 116</td>
</tr>
<tr>
<td>1998-99</td>
<td>177</td>
<td>2388 190</td>
<td>2534 179</td>
</tr>
<tr>
<td>2000-01</td>
<td>0</td>
<td>3150 0</td>
<td>2950 0</td>
</tr>
<tr>
<td>2003-04</td>
<td>0</td>
<td>3351 0</td>
<td>4580 0</td>
</tr>
<tr>
<td>2004-05</td>
<td>0</td>
<td>4019 0</td>
<td>4867 0</td>
</tr>
<tr>
<td>2006-07*</td>
<td>253</td>
<td>4467 253</td>
<td>4076 318</td>
</tr>
<tr>
<td>2010**</td>
<td>706</td>
<td>15536 645</td>
<td>11472 0</td>
</tr>
</tbody>
</table>

A = Area (000 ha) P = Production (000 tons)

Source: Kashyap 2006

It can be seen that area under fruits production in Gujarat has risen ten times over the last three decades, vegetable’s area has grown about eight times in the same period from table 3. It was a mere 1 percent of total cropped area in 1982-83 and in 2010 accounts for 10 percent of total production area. This has certainly pushed agricultural growth upwards, but fieldwork suggests that the players behind it are in fact the petty bourgeoisie, capitalist farmers and capitalist who are aggressively investing in this sector. These are distinct classes attracted to the sector for its high export potential contributing to its fast growth. A discussion in relation to other crops and broader cropping pattern is undertaken in section 5.5.

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130 projected figures for 2010.
To summarise, the state has taken a focused and direct approach to further the interest of capitalist farmers. As a result small farmers who own 88 percent of all landholdings (GoG, 2010-11)\(^{131}\) are facing hardship Census data points out that landlessness have increased among small farmers, as the number of agricultural labourers has increased from 4 million to 5.4 million in the past decade. This is caused by combined effect of land policy shift and low income from agriculture and high cost of inputs causing lower profit from agriculture (Ibid). The worst affected are the tribals (Chakravarty 2006). An apt way to conclude is the following quote

\[ \text{\textit{jab phasal khedut ke ghar bota bain uska koi bhaao nabin bota, jaise hi who vepari ke paas ata bain, uska kimat dugna ho jata bain}} \] (when crop is at farmers’ home, then prices are low and once it reaches the trader, the price shoots up to twice). This is caused by farmers’ inability to hoard. The cold storages are owned by traders and merchants (farmer Ahmedabad 2011),

It signifies that those who have other means of income like trade, or have access and capability to play on the terms laid by market can be the only survivors in the present policy regime.

5.5 Cropping pattern shifts: Annihilating small farmer crops for exportable crops

The section on agricultural policy has outlined the thrust areas of the policy to achieve high growth. The state is focusing on increasing productivity by using technological solutions, rather than looking at distributive aspects of agrarian structure (Sinha 2012, Hirway 2000).

The argument is that the only way to make these lands viable for cultivation is by attracting private big investments and consolidating holdings. The following table is an indicator of what such policies have translated to in terms of crop adoption.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>5.44</td>
<td>5.78</td>
<td>6.12</td>
<td>6.67</td>
<td>5.99</td>
<td>6.18</td>
</tr>
<tr>
<td>Jowar</td>
<td>10.19</td>
<td>10.65</td>
<td>6.18</td>
<td>3.98</td>
<td>1.71</td>
<td>1.32</td>
</tr>
<tr>
<td>Bajra</td>
<td>13.8</td>
<td>14.82</td>
<td>13.32</td>
<td>11.8</td>
<td>9.56</td>
<td>6.5</td>
</tr>
</tbody>
</table>

\(^{131}\) Semi-medium is counted in the category as throughout the thesis it has been considered as part of small farmer.
<table>
<thead>
<tr>
<th>Crop</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>5.64</td>
<td>4.26</td>
<td>5.42</td>
<td>5.83</td>
<td>5.2</td>
<td>9.17</td>
</tr>
<tr>
<td>Maize</td>
<td>2.82</td>
<td>3.48</td>
<td>3.51</td>
<td>3.8</td>
<td>4.36</td>
<td>3.55</td>
</tr>
<tr>
<td>all cereals</td>
<td>40.27</td>
<td>40.64</td>
<td>35.52</td>
<td>32.76</td>
<td>27.27</td>
<td>26.77</td>
</tr>
<tr>
<td>Gram</td>
<td>0.96</td>
<td>0.71</td>
<td>0.84</td>
<td>0.98</td>
<td>0.78</td>
<td>1.48</td>
</tr>
<tr>
<td>Arhar</td>
<td>2.86</td>
<td>3.97</td>
<td>3.97</td>
<td>3.54</td>
<td>2.92</td>
<td>2.26</td>
</tr>
<tr>
<td>all pulses</td>
<td>7.87</td>
<td>8.43</td>
<td>8.66</td>
<td>8.11</td>
<td>7.04</td>
<td>6.79</td>
</tr>
<tr>
<td>Foodgrains</td>
<td>48.14</td>
<td>49.07</td>
<td>44.18</td>
<td>40.86</td>
<td>34.31</td>
<td>34.11</td>
</tr>
<tr>
<td>Groundnut</td>
<td>19.79</td>
<td>17.78</td>
<td>17.62</td>
<td>16.57</td>
<td>17.89</td>
<td>15.8</td>
</tr>
<tr>
<td>Sesame</td>
<td>1.22</td>
<td>1.29</td>
<td>2.39</td>
<td>2.53</td>
<td>3.39</td>
<td>2.16</td>
</tr>
<tr>
<td>Castor</td>
<td>1.79</td>
<td>2.12</td>
<td>3.14</td>
<td>3.79</td>
<td>3.02</td>
<td>3.43</td>
</tr>
<tr>
<td>All oilseeds</td>
<td>19.79</td>
<td>17.78</td>
<td>17.62</td>
<td>16.57</td>
<td>17.89</td>
<td>15.8</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>1.02</td>
<td>1.27</td>
<td>1.62</td>
<td>2.13</td>
<td>1.84</td>
<td>1.76</td>
</tr>
<tr>
<td>Cotton</td>
<td>14.06</td>
<td>12.42</td>
<td>10.65</td>
<td>14</td>
<td>15.42</td>
<td>20.48</td>
</tr>
<tr>
<td>Tobacco</td>
<td>1.1</td>
<td>1.29</td>
<td>1.29</td>
<td>1.22</td>
<td>0.86</td>
<td>0.45</td>
</tr>
<tr>
<td>Spices</td>
<td>1.22</td>
<td>1</td>
<td>1.82</td>
<td>1.58</td>
<td>2.18</td>
<td>4.41</td>
</tr>
<tr>
<td>Other crops</td>
<td>9.81</td>
<td>11.32</td>
<td>13.77</td>
<td>14.22</td>
<td>18.5</td>
<td>15</td>
</tr>
<tr>
<td>GCA (’000 ha)</td>
<td>10883</td>
<td>9484</td>
<td>10750</td>
<td>11088</td>
<td>10948</td>
<td>11787</td>
</tr>
</tbody>
</table>

*Source: Crop and Season Reports, Department of Agriculture, GoG (Various years)*

It can be seen that there is a shift in cropping pattern from mass crops such as dryland cereals and pulses to high value crops, especially cotton, spices, sugarcane and flowers and vegetables (‘other crops’) during the last two decades (see also Gulati et al 2009 and Mehta 2012). Commercialisation shows the signs of deepening, as the crops having greater market-orientation have consolidated their share (Mehta 2012). This is in line with the general focus on capitalist agriculture in the state. Among those interviewed, few saw any problems herein, even if the inherent focus on large-scale farming, and growing hi-value crops was detrimental to small farmers and even if it means small holders who cannot cope with the high capital investment losing land. The changes also show how the crops grown historically by small farmers, such as millets, have lost out.

Capsicum, sugarcane, tomato, flowers were some of the crops which different respondents regarded as promising, marketable, and thus worth investing in. Given most of farmers interviewed were owners of more than 10 acres, up to 50 acres and capable of investing in new
means of production, such preference was not a surprise. We found that urban professionals and capitalists were investing in these crops. Big farmers’ sons are doing courses in bio-technology to equip themselves in adopting high-value crops. The changes in cropping pattern is another indication of the changes in agrarian structure with surplus accruing to the proprietary classes.

5.6 BJP links itself to the farmer interest

Gujarat farmers have been fervent adapters of privatization in agriculture. Contrary to the common perception that the farmer movement is a cross-class social movement, it has been found representing the interests of big farmers alone (Brass 1994). In fact BKS\textsuperscript{132} welcomed the privatization of inputs and mechanisation with open arms.

The literature agrees that farmer organisations dissipated post 1980s. Some of our field case studies indicate otherwise. A farmer in Petlad who was a member of BKS had a good network across the state. He provided contacts of farmers in Rajkot and Sabarkantha and informed me about conferences in Ahmedabad on farming; he had information about new technologies and benefitted from government extension services. He recently received prize from Narendra Modi for experimenting with organic techniques and refrained from commenting on the government (Anand October 2011). These people he referred to were eventually interviewed and they too had ties with BKS except in the district of Rajkot, Saurashtra. The farmer organisation is still operating but more as a lobby for big and capitalist farmers focusing on central Gujarat whom the state is providing extension services, new technology and assistance.

We observed a BKS leader seeking to organise and represent the cotton growers of Banaskantha and Sabarkantha, northern districts. The Pradesh adhyaksh (state head) belonged to Sabarkantha district, facing severe water shortage himself. All demands he mentioned related to cotton farming, like global prices and HYV seeds. The RSS’ emphasis was on the demand of allowing pump sets in these districts and free electricity to salvage the poor-irrigation situation\textsuperscript{133}. He did make an emotional speech about how farmers have been adversely affected by liberalisation. But the core demand he reiterated were fundamentally to make use of the opportunities the same policies have to offer. He pointed out that water shortage in this region has affected agriculture in a big way, especially with Narmada SSP dam’s tributaries reaching the southern districts of the

\textsuperscript{132}RSS affiliated farmer organisation.

\textsuperscript{133}In 2003 the state government had banned exploitation of groundwater in 57 talukas, covering 13 districts.
state; branch canals for northern districts have been suspended. Sagar bhai, an activist, argued water was being reserved for industrial purposes, thus explaining the suspension of canals to north; this is similar to Jhanjigir Champa district in Chhattisgarh. The almost exclusive hold of cotton grower on BKS became clear when I found in Mehsana and Kheda, the non-cotton growers’ interviews confirm that BKS was not functioning in their districts. Regional concerns overpower farmer organisations such that it is few whose interests are represented through BKS; this is also similar to Chhattisgarh where BKS works in western districts where commercial cropping has taken roots and is largely absent in the eastern paddy-producing districts. The collective voice of small farmers remains unrepresented through BKS. Their gains are accidental if there are any at all.

Two months after the interview, the power of BKS became evident. In March 2012, they held a huge protest in Gandhinagar, and right after that BJP allowed use of pump sets in northern districts. It came with a catch. Only those farmers who could use drip or sprinkle irrigation could put up pump sets in ‘dark zone’. It should be clarified, both these methods of irrigation need high investment and is only economical in big holdings. So this was meant to benefit big farmers alone (TNN 2012). The expansion of new technologies in irrigation has contributed to the high growth.

Proximity to the capital city and the golden corridor are factors that determine which farmers are heard by the state. Like in Surat, the sugarcane farmers also displayed significant organisation and access to resources, through cooperatives. A farmer from Rajkot district clarified that both BKS of BJP and Khedut Samaj of Congress have marginal presence in Rajkot, and there is hardly any difference among them in their agenda. He added ‘they work very closely with the government and represent the interest of few farmers, who live closer to the state capital’. It was quite apparent that visibility through Khedut (farmer) organisations was reserved for specific regions and crops.

A common finding that emerged from the interviews was that farmers shifted to cotton in large numbers during the last decade, primarily in the northern and central districts. Import of oil seeds made oil seed cultivation less lucrative (Despande 2008). As an academic suggested, ‘figures show 30 percent of farmers are devoted to cotton and 20 percent of farmers in the state are big and middle farmers’. He suggested that these 20 per cent have adapted cotton (interview:
It is a high investment crop, requiring large quantities of water. So those who can use pump sets can grow cotton. Good rainfall in Gujarat over last 8 years (2005-12) have been a congenial factor. This does not mean that no small farmer grows cotton but within the crop lobby they only added numerical strength; when it comes to the distribution of benefits they are the last to receive them. The main demands of the lobby were low input prices, irrigation subsidy and global competitive output prices. These are issues faced by the capitalist farmers, involved in commercial cropping (interview: farmer cum activist, Baroda April 2011). They do manage to mobilise widely on these demands: in Gandhinagar, on 15th December 2011 hundred thousand farmers assembled to demand water subsidy and better prices. But it should be mentioned at the same time that small farmers have lost out their political bargaining power within Gujarat.

With cotton becoming the dominant crop, the cotton lobby has become a much sought after group by all political combinations. A senior Congress leader expressed keenness to capture them as a vote bank and was confident that in the coming elections this would change the face of Gujarat politics. A similar strategy was expressed by another Congress leader. The cotton producers are numerous and those who have moved to commercial agriculture are organized and have a collective interest, which is easy to address. The growing significance of capturing a crop lobby indicates that caste is losing its power in mobilising voters (interviews: Parekh, Baroda April 2012 and Jyotibhai, Ahmedabad December 2011). Gandhi (Ahmedabad 2011) pointed out that within the Patel caste there is a rising divide. Till 1990s, the family members who went abroad would always come back to their family for all religious festivals and would put a part of their income into the village property, and this way landownership would also grow and the children of the brother who would continue looking after village property would get a share from the money earned abroad. But he predicted increasingly a disjunction is developing between urban and rural, and this will change the face of Gujarat politics and society. The same issue recurred in a veteran political leader’s response, who was the last harbinger of small and middle farmers’ rights.

Vegetables and tobacco, which require high investment and market access, are also grown by middle and big farmers.
5.7 Inputs: Financial and chemical

Total cropped area in Gujarat is 12.8 million hectares, 65 per cent of the total area of the state (GoG, 2009-10). In 2005-06 out of Rs 1,10,000 million total state budget, the agriculture sector investment was Rs.5893.8 million (5.36%) which in the eleventh plan (2007-2012) rose to Rs.88798 million accounting, 6.9% out of total state plan (GoG). In the same period, Karnataka’s expense on the sector was Rs 10,4844 million (7.7% of total plan budget). The government aims to contribute 8.9% of twelfth plan outlay to agriculture. The rise in percent share of agricultural outlay illustrates that the neo-liberal prescription of withdrawing support to agriculture and subsidies does not hold true. However, a foray into which heads within the sector have attracted main investment will help develop a better understanding.

The state can be divided into four regions, agro-climatically as well as economically: central Gujarat plains (where the golden corridor runs though), North Gujarat, Saurashtra and Kachchh and the eastern tribal belt (Shah et al. 2009). The following table lays out an agricultural profile of these four regions and the districts they include.

Table 5.5. Economic and social profile of four regions

<table>
<thead>
<tr>
<th>Tribal areas</th>
<th>Dahod, Panchmahal and Dangs</th>
<th>Low level of economic enterprise; rainfed farming; semi-arid to humid climate.</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Gujarat</td>
<td>Gandhinagar, Ahmedabad, Patan, Mehsana, Banaskantha, Sabarkantha</td>
<td>Enterprising farmers; Groundwater is the main source of irrigation, diary cooperatives</td>
</tr>
<tr>
<td>Canal districts (South and Central Gujarat)</td>
<td>Anand, Kheda, Vadodara, Bharuch, Surat, Narmada, Navsari, Valsad</td>
<td>Humid and water-abundant part of Gujarat; canal irrigation systems, through farmer initiative; enterprising farmers; strong dairy cooperatives.</td>
</tr>
<tr>
<td>Saurashtra and Kachchh</td>
<td>Amreli, Bhavnagar, Junagadh, Jamnagar, Porbandar, Rajkot, Surendranagar</td>
<td>Arid to semi-arid climate; groundwater the main source of irrigation; Agriculture dependent mostly on monsoon; poor dairy cooperatives.</td>
</tr>
</tbody>
</table>

Source: Shah et al. 2009, p. 49

These divisions are not strict, for instance, the state agricultural department further divides Saurashtra into north and south and Kachchh. Moreover, the northern region does not include Gandhinagar and Ahmedabad in most common classifications. But Shah’s classification holds
particular value in understanding where the powerful lobbies operate from and which districts hold key positions for this study. For instance, the table correctly indicates that Saurashtra and Kachch agriculture have not had as large scale adoption of capitalist methods as central and south Gujarat.

5.7.1 Credit Policy: All about targets and higher yield
Agriculture credit has been guided by market ethics in post-liberalisation era, see Chapter 2 for an all-India outline. The literature specific to Gujarat is quite limited. In an interview with a senior official of the Reserve Bank of India (RBI), it was explained that [as elsewhere in India] bank prefers lending money to those farmers who can show land deeds or some asset to ensure returns. This is why small farmers often cannot access bank credits. They also are often in need of immediate disbursal of cash, and this the banks cannot deliver. Since they are not big clients, they are treated as ‘secondary citizens’. They are often asked to come back another day which is difficult given the distance and cost of transport. This helps the informal economy of credit to thrive.

All India data shows that the large landowners have disproportional access to bank credit (NCEUS 2008: 14). In Gujarat a respondent pointed out small farmers are facing steep competition as corporates are entering the credit market. The banks since the ‘90s prefer giving loans to big farmers and even corporates; ‘it is to fulfil the quota for which companies like Pepsico are given farmer credit to meet the target’. This ensures repayment of loan on time. Small farmers often spend loans on family functions and repairing houses, which are consumption expenditure (interview: Baroda December 2011)

As elsewhere in India, trading and moneylending are often tied together. A big farmer stated that

‘khedut has to take loan for multiple reasons, and often from more than one source. Fertilizer, seed, pesticide, at every stage of cultivation they take loans. This makes it mandatory to sell their produce immediately after harvest to avoid interest accumulation. They have lack of storage capacity, and access to good infrastructure. They have to sell their produce to the moneylender who is often also a local trader. Debt further reduces their negotiation powers, since they are bound by pacts to sell their produce to the trader-cum-lender. Further, each time the khedut goes to APMC, the police man, the gatekeeper and even the vehicle driver (choti bati) take
the khedut’s produce for free. This is a way of paying tax. Then the dalaal comes and takes 4-5 gourds for his family. In social hierarchy, Small farmers are the lowest and have to oblige everyone to sell his products. The trader takes 75 percent of the profit, while *khedut* gets 25 percent only (interview: Ahmedabad, October 2011).

Similar information was obtained from other sources. An academic shared his fieldwork finding in Surat district, confirming ‘pre-contracts’ operating in agriculture. Traders fix price with farmers before harvest, like wheat to be bought at Rs.500. So after harvest even if market price is Rs 800, farmer has to sell it for prefixed rate. This trader is often also the moneylender (interview: scholar, Anand 2011 and Rutten 2003). Hence opening of market and global prices have little relevance for the small farmers. Middle farmers have better negotiating powers than small farmers and have income from other small trades. On harvest, they also sell their produce but only 30-40 percent, to cover initial cost and cover debts. But the rest they keep to be sold later. Likewise, those who produce wheat, keep it till the rice season commences, when they sell wheat and vice versa. However, in both cases, the traders reap the profit at cost of the producer. Small farmers cannot avail of high market prices (Shiraz bhai Ahmedabad October 2011).

With big companies like Reliance and Star Bazaar coming into agriculture, direct sourcing from farmers have started in pockets. This is creating a kind of monoculture, as these companies demand and farmers supply those crops. So producing for self-consumption, a chief way of food security, is under threat. On the other hand, the entry of such companies could threaten the position of the existing traders but there are instances of traders becoming smarter too. A respondent stated how traders buy 2kg each time (upper limit) from Reliance Fresh and then sell in mandis for higher price. This saves their physical effort of procuring from the source and transportation cost but they continue to be important players in the market (Ahmedabad 2011).

Another key person in the agrarian economy is the cold storage owner. Cold storages are generally located on highways and are used mainly for storing high value crops like fruits and exportable vegetables. Their importance is because of the fact that government has not invested in warehouses and adequate storage infrastructure hence farmers’ producing fruits and vegetables depend on them to store crops. Even Food Corporation of India takes godowns on rent from these private owners, increasing their bargaining power, as three respondents indicated (three interviews: an activist, a farmer, bank officer, Ahmedabad November 2011).
Cold storage owners also lend money to farmers and control supply to market. A businessman owning a chemical plant informed that when he started his factory, he took a loan from a cold storage owner. He explained the particular cold storage owner was a big farmer, exerted a significant control over the informal credit economy. Instances of farmers investing their surplus into the credit market and becoming moneylenders were previously noted by Rutten (1986, 2003) and even in a recent Rajasthan study, cash money earned through land transactions by farmers were found being lent to farmers, thus contributing to the former’s rent income (Levien 2012). The picture as it emerged is quite similar to that of Andhra Pradesh and Tamil Nadu as observed by Swaminathan (2005), Barbara Harriss White (2008) and Ramchandran (2010). The case reconfirms credit from the merchant class having roots in big farmer class and points uniquely, at its reach extending beyond agriculture to even industry.

5.7.2 Privatization of inputs in interest of few

This section puts forth two arguments. First, how the privatization of inputs was meant to benefit the big and capitalist farmers to augment agricultural growth. Not only were they more capable of adopting these technologies, the government also took initiative to familiarise these classes with new technologies. Secondly, these policies have helped the resource-rich farmers diversify into petty bourgeois activities like selling these products and pushing for higher sale.

Rutten (1986) sheds some light on how big and middle farmers in the 1980s gradually invested surplus, first in agri-business, then in business outside agriculture, marking a phased transition of become a capitalist. To quote him, ‘Within the last fifteen years investments outside agriculture such as small flour mills, tiny transport companies, tile factories and private financing companies’ (A20) have multiplied.

Breman (1989) makes the same observation about south Gujarat, with these farmers diversifying into agro-industries like sugar mills and using other by-products in paper factories. More than two decades later, I was still observing the same trend. The big farmers are investing in agro-business or trading of agricultural products and thereby multiplying their income. This is also because returns from agriculture is less than from these areas. Globalisation and privatization of inputs has opened new opportunities for those who can invest in such business. A new group of petty bourgeoisie and trader class has been formed in the countryside of Gujarat, many of them are local people unlike in other states (Harriss White 2004). This entire class is not constituted of rural people. Urban traders have also opened shops making use of the new opportunity. A common interest binds the two, namely, the maximising of the sale of imported inputs. They are
working as instruments of big capitalist firms who are trying to capture the Indian agricultural market through local propertied class.

Close to the Khudi town centre, there was a huge market (*mandi*) with many shops selling fertilizers and pesticides. I walked into a store which according to Ganapatha (informant) was a reputed one. The shop owner explained all his products. In absence of any government subsidy on pesticides, farmers have to depend entirely on private traders. He added that the farmers were ignorant and did not know what to use for which pest. So the sale of pesticides was very high and they bought all kinds of medicines for one kind of pest, to avoid the danger of losing their crop. He added that the farmers often took fertilizers and pesticides on loan, a common practice in this business. But how to ensure that the money comes back to the shop owner? His answer was simple, ‘I belong to the nearby village so I know most of these farmers, and so collecting dues is not a problem’ (interview: Mehsana, November 2011). Hari (another farmer) was also buying fertilizers from a shop situated only 5 km away from the village, and the shop owner was from the village. He stated social ties play an important role in increasing the sale of new products, a capitalist agenda fulfilled through local rich classes (interview: Rajkot May 2012).

The big firms, both national and international, prefer giving retail agency to local people (some of whom are farmers) to enhance their sale (interview: Mehsana, November 2011). It supports Murugkar’s (2006) observations discussed in chapter 2. In interviews across districts, it was disclosed that the number of input shops have multiplied in the last 15 years. As I approached Ahmedabad and Baroda, I saw many such shops; local people told me that they were owned by traders operating in urban centres. But in suburban and remote rural areas, the owners were big farmers who have diversified. This is particularly important as the agriculture input market thrives on credit, so for someone to run a shop, he has to have two things - local connections and capital. Both of these are available only to the big and middle farmers. At the other end of the spectrum, this has increased oppression of small farmers and landless labourers; the latter works on leased in land. In Surat and Mehsana I met such petty bourgeois shop owners who spoke the language of capital and not of *khedut*. They or their family members cultivate their own land but their cultivation is largely done by wage labour. They stated their objective as being that of maximising the sale of their products, push for more purchase of fertilizers and pesticides. They influence small farmers to purchase more inputs. This pushes up the cost of production and adds to the profit of shop owners, who are often the big/capitalist farmers. Similar observations have been made by Glover (2010), NCEUS (2009) and Murugkar (2006) .
A group of Gandhian scholars and activists in Gujarat have been fervent critics of green revolution techniques and the increasing use of chemical inputs over past two decades. They argue these have deteriorated soil health and permanently brought down yield. A naturopath and social activist informed how agricultural research is increasingly dictated by corporates leading to corporatisation of Indian agriculture. This is part of Indo-US knowledge initiative, through which US corporates are trying to mould cropping pattern and control agricultural markets. Research now is on producing high-value crop. Corn is being promoted in a big way to farmers. As WTO documents reveal, the need to grow corn is to feed cattle. The WTO expects meat consumption to go up many times in India. At present meat consumption in the west is huge. Hence, corn cultivation has to be undertaken in developing countries to feed livestock. Such speculation in agriculture is not entirely new to India. To quote him, ‘the way Indian fields are being used to produce cattle feed for animals sitting far away in western countries is a new form of colonial control, where we produce what the west requires’ (interview: Singh Baroda, November 2011). Two more respondents raised similar issues, an academic and an activist who have been involved in environment movement and pro indigenous technology in agriculture (Ahmedabad 2012). The penetration of global capital through government policies emerged in these interviews. Layered and fragmented nature of Bt cotton adoption has been argued previously, where irrigation, credit, larger holding, higher income from livestock is found as common characteristics of Bt adopters, opposed to the rest (Morse et al. 2007, Glover 2010). It is resulting in change in cropping pattern and higher cost of production.

Moving towards capitalist agriculture mandates high investment (Byres 1981, Cleaver 1972). Thirty years ago Rutten (1986) found how class of ‘well-to-do farmers’ were given preference in technical advice and other facilities from the state. A bureaucrat whose interview has been given in detail in a previous section made it clear that, still, ‘more capable’ farmers were extended help from the state. The word capable translates to a certain class with access to infrastructure and investment, the capitalist farmer. The logic of pushing growth by providing service to them, seen previously in Chhattisgarh, manifests here, although not as candidly.

It was also reported across respondents that – as is common across India - the seed corporation which is entrusted with seed distribution at low price has often failed farmers in delivering quality. Respondents revealed that the low dependability of government seeds eventually end them in trouble with low yield and/or poor quality. Hence farmers tend to buy seeds from
private stores, to ensure quality and yield. The result is directly reaped by private players (Shiraz bhai, Ahmedabad and Singh, Baroda November 2011). Dasji, an organic farmer held the view that in the last two decades companies which sell seeds have come to earn thrice, as now they sell pesticides, fertilizers and seeds. He lamented that these products are harmful for the soil and cannot sustain high yield over a long period. But as they ensure a sudden rise in yield, hence promise of extra income attract many to chemical inputs.

The literature argues that the state has ensured lower prices for Bt seeds than most other states. The government supported indigenous GM cotton technology and declared its inability to bring informal seed producers who were breaching WTO agreements under control. The state government went a step further to help the local farmers, by imposing a ceiling of Rs 750 per packet to ensure that seeds were available at a reasonable price. It resulted in higher Bt cotton seed production in Gujarat and availability of seed at lower prices\(^{135}\) which aided a wider adoption (Gupta 2008). But the state has moved away from this position according to interviewees. It is advocating private inputs from big seed and fertilizer companies for sake of productivity, as farmers indicated who thus are forced to buy Bt cotton (interview: Banaskatha, 2012). An indignant university scientist pointed out that corn is facing similar issues; despite Indian universities developing their own varieties of corn in 2005, the government has initiated projects to subsidise Monsanto corn seeds. To ensure its fast adoption by farmers, they are giving free fertilizers with seeds. These seeds have gone into farmers’ hands without being tested in university labs. This has left indigenous varieties unable to compete with foreign seeds, retorted Desai\(^{136}\) (Kavitha 2011). On some occasions researchers have expressed doubt about Monsanto’s quality but even that have been overlooked. In 2009-10, Monsanto was paid 40 percent of total project money and that too, without any tender. From 2011, government has started buying seeds from other corporates. Admittedly, retailers encourage farmers to buy more fertilizers and pesticides promising higher yield (interview: farmer, Baroda November 2011).

It is pertinent to mention that the government subsidy for fertilizers goes to big fertilizer firms, another industrialist lobby constituting of IFFCO, Monsanto, Cargill, Dupont etc. (Mukundan 2013, Ghosh 2005 and Birner, Gupta and Sharma 2011; discussed in chapter 2). The lower rates

\(^{135}\) The price fell from Rs 1,600 to Rs 650 for a 450 gm packet.

\(^{136}\) Head of Navbharat Seeds.
allow pushing the sale of fertilizers higher. It was also revealed that high demand and limited supply of fertilizers, has resulted in a black market around its sale. This again involves government officials, who earn rent in managing the black market. The point was raised by two respondents (Ahmedabad 2011).

5.7.3 Water: An important pawn

Green Revolution company has been entrusted with providing MIS for the second green revolution. Within the state, it will work through reputed and authorized micro-irrigation system suppliers, who will install these systems in farms on demand. They will simultaneously provide various agro services pertaining to irrigation. The aim is to reduce consumption of both water and electricity, while enhancing agricultural productivity. Government declares this would be ‘resulting in the farmers’ prosperity at large’ (GOG). The government boasts of sprinklers and drip irrigation, but it should be pointed out that these are again investment intensive irrigation facilities. So while it does increase productivity, such systems can be installed by only few: the big and capitalist farmers alone. In fieldwork the only farms where I encountered such systems had more than 10 acres, in all instances. A Congress senior leader who was himself part of SSP (Narmada dam) pointed out that the reach of canal irrigation is limited to the southern districts. So such initiative to privatize means of irrigation is bound to affect the mass of farmers present in northern, western and eastern districts (Joshi and Acharya 2005). SSP is facing a limitation of slow pace of command area development. The main and branch canals are nearly complete. However, the government is facing major difficulties in acquiring land for creating the network of distributaries, minors and sub-minors, as argued by political leader (Interview: Baroda November 2011).

The reality as it stands today, against a target of 1.8 million hectares, the SSP is irrigating only 80-100 thousand hectares mostly in the Narmada, Bharuch and Vadodara districts. There are several other canal irrigation systems—Mahi, Ukai-Kakrapar, Karjan, Damanganga—which reach water to mostly Central and South Gujarat, covering 70 percent of Gujarat’s command areas. These are the area historically inhabited by big farmers who have diversified into cash crops and trade. Second, canal irrigation is only covering 18 per cent of total irrigation, creating an undue emphasis on groundwater irrigation.

137 Details on http://www.ggrc.co.in/frmhomepage.aspx.
A concern that reverberates in Dubash’s (2002) writing is the way access to land and water play a determining role in growing cotton. Access to water in north Gujarat is determined by control over tubewell technology. The history of ground water extraction has favoured the capitalist farmers (Hardiman 1998, Yagnik and Sethi 2005). Prakash (2005) takes Hardiman’s argument further to show that the current scenario favours wealthier section of agrarian society who has access to groundwater. No source of water means giving up cotton cultivation. Shah (2005) adds in her appraisal of several cotton growing villages in Gandhinagar district that only well owners (big farmers) largely from Patel and Thakore castes grew cotton. And concludes, farmers without an ownership of a tubewell would rarely grow cotton. Like Breman, this indicates certain structural inequality which determines which type of crop will be cultivated, cash crop or food crop. To quote Hardiman (1998)

Such a system survives today because the rural poor continue to lack access to resources, particularly land and water. In the case of water, this gives rise to a situation in which the elites exert their power by controlling and manipulating its supply. It is in their interest for there to be shortages. So long as this nexus prevails, it is hardly possible for more equitable systems of water harvesting and distribution to evolve (1998).

While recently, the state has advocated micro irrigation, Gandhi in his interview stated how water has been a cause of alienation of farmers from BJP in last one decade. He conjectured that farmers’ votes will decide the fate of the next assembly election. Their strength was displayed in the protests launched just a year ago to lift ban on wells (interview: Ahmedabad December 2011). Modi also attempted to salvage his reputation with rural votebank by giving in to the demand of the cotton farmer lobby. He lifted ban on ground water exploitation across 26 districts (TOI 2012). The 2012 state elections showed BJP having lost substantial rural support despite Modi’s re-election.

The irrigation issue emerged as a key issue after my fieldwork. In February 2013, the BJP government steamrollered through the Gujarat Irrigation and Drainage Bill. This met with tremendous opposition in parliament, including from the Congress. After 2012, this was a turnaround, since even BKS was seen openly resisting the Bill; their core argument was that the farmers have no option other than sinking tubewells given the poor availability of water. As many as 17 out of the 26 districts in the State are suffering drought conditions (Hindu 2013). The Bill seeks to regulate sinking of borewells on any agricultural land along with use of
groundwater available from it. In case of violation, there could be imprisonment up to six months and a fine of Rs 10,000. The state is tending to make water usage exclusive to those who can get these permissions from government institutions. Access to local administration is for the few (big and middle farmer, or reserved candidates from lower castes) as was observed across fieldwork. Plausibly this policy will make it harder for SMF to access ground water since unequal structural relations are already operating.

Water was not raised consistently in all interviews. I later realised that since most of the respondents were capitalist farmers with access to private irrigation or canals, they saw it as a given. Access to water has been the key to agricultural success and agrarian dominance in the state; be it investing in tubewells or accessing Narmada canal water, few have managed to corner the benefits. It is these few who have become the capitalist farmers, reaping surplus. ‘Unirrigated agriculture in the state means a farmer has to live and die in the trap of poverty’ said a respondent (interview: farmer, Gandhinagar December 2011). In Khudi village the big farmer was reported charging rent from the small farmers for using pump, so technology access is giving him an advantage in generating more surplus and is acting as a definite means of accumulation. The rates he charges were not disclosed by small farmers in his presence. Similar observations have been made elsewhere in India, particularly in Gujarat (NCEUS 2009, Shah 2007, Dubash 2002, Mehta 2012). It illustrates how capitalist farmer cum merchant capitalist is earning rent from small farmers, adding to accumulation of capitalist farmers and marginalisation of small farmers.

5. 8 Monopolisation of land resource

The roots of today’s land policy can be traced to the ‘90s. The government amended the land acquisition policy right after coming to power in 1995. As elsewhere in India, the ‘land to the tiller’ lobby had a stronghold on government so it could protect agricultural land from urban classes until 80s. But by end of 80s, the government sanctioned large tracts of fertile agricultural land for industrial purposes. Subsequently, the BJP government scrapped the 8-kilometre rule in its very first legislative assembly session by proposing a tenancy bill in 1995. The rule stipulated that landowners-tillers have to reside within 8 kilometre of their land holding to ensure land from the absentee landlords can be transferred to tenants. The announcement of policy shift was followed by few protests despite significant SC and ST membership of the State assembly, who were going to be at losing end. The big farmers welcomed this move, as reflected in consensus from ‘khetu’ organisations. (Sud 2012).
The government has sought to make land available to big business ever since (Bharwada and Mahajan 2006). After Singur, Tata moved the project to Gujarat; the swift land allocation by government, ascribed the state a favoured destination for corporate houses and attracted any new private companies’ investment. As was reported by different interviewees, the process of land transfer follows a pattern; first the government transfers the grazing land and wasteland to the company, without informing the villagers. Once the initial task is accomplished, the farmers are approached for buying their fertile land. ‘Since by this time, some land of the village is already with the company, and often land adjacent to certain farmer’s holding, their choice of selling land to the companies and even negotiating prices get drastically reduced’ (interview: farmer Rajkot May 2012). A similar instance of illicit transfer of gochur (grazing) land by showing it as revenue land was reported in case of Maruti’s new plant in Rajkot (TOI 2013). Such cases are reported from other districts for instance a public interest litigation case ongoing against Adani group for encroaching upon 40 acres of grazing land in Kutch district (Balan 2013). These instances conform to the characterisation of the state as a ‘land broker’—working on behalf of private companies and against people (Levien 2012).

Who benefitted? Krishnakumar (2007) finds the industrial capitalist class, both in diamond and other sectors have acquired land from the poor farmers near Surat over a period. Across interviews people were of the view that the capitalists primarily from the Brahman-Bania castes constituted the gainers of land acquisition. Fewer respondents held that their origins are from ‘rich farmers’ who are now exerting most power, and included Patidars among the beneficiaries (CPIM leader and a scholar, Ahmedabad December 2011). They accumulated by virtue of investing their surplus in agro-processing and industrial sectors. One may conclude that even if they had different caste and origins, their interests have become one and the same. There is a reverse trend of ‘monopolisation’ of land, as evident from Table 2. Sud (2007) identifies ‘nouveau-rich capitalist classes’, differentiated from Brahmin-Bania-Khoja mercantile groups as having assumed the most dominating position over state apparatus in neo-liberal era.

A commonality between Gujarat and Karnataka is restriction on ownership of agricultural land to agriculturists from this state alone. However, in 2012, the High Court ruled this as discriminatory, allowing agriculturists from all over India to buy land in the state (TOI 2012).

138 A major corporate group in the state, allegedly harbouring close relation with the state government.
Some lands are also classified as non-transferrable. Are those lands protected? Suhel, an activist reported real estate market is thriving on black money. A common practice is to buy land from farmers and then take ‘irrevocable power of attorney’ from them. The regulations pertaining to land ownership are thwarted in Gujarat. This is basically a way of owning land, as this power of attorney allows them to sell land without any consent letter from the farmer. Some urban businessmen also show themselves as farmers, by the power of owning agricultural land and then are liable to own land anywhere in the state. I witnessed a rich businessman sitting in Café Coffee Day with a rural man—as apparent from his attire—signing land deed. He also had a technocrat, possibly a lawyer assisting him and explaining the clauses to the businessman. Later, an activist suggested that diamond industry owners are also investing in real estate in a big way (Rajkot May 2012). While these are only individual stories they do tally with the stories about ‘land grab’ in the Indian press, from across India, claiming that numerous corrupt and illicit ways of buying land exists.

In line with this, a renowned scholar mentioned the ‘Gujarat Land bank’ whose office she has personally visited. They can offer land in any part of Gujarat for sale as per the buyers’ demand. While this has helped the capitalist, the state officials have also been gainers. In all land deeds and land tax, 95 percent goes to the bureaucracy while, a voucher of 5 percent is handed to the owner. This was reconfirmed by three respondents. The amount to be paid for registration of new land has also multiplied manifold from Rs 5000-6000 to almost Rs. 100,000 per acre of land. So bureaucracy has been accumulating significantly more under the era of privatization and rapid land transfers from agricultural to non-agricultural purposes, a kind of grand corruption to follow Bussell’s categories (2012). Ministers have been enjoying personal favours from corporate houses which are in turn adjusted by giving them state subsidy and land at low price (Murat 2011, Praful bhai 2011). Essar bought land at Re 1 per acre which they later sold at Rs 1500 per acre (Sagarbhai Ahmedabad 2011). Adani plant has been asked to close operations by State High Court considering their activities as illegal on grounds of not having environmental clearance (Bahree 2014). A question can be raised as to how a vigilant bureaucracy did not note the lapse or was it too keen to guard the interest of the capitalist? Sud (2007) mentions an interview with a revenue officer who informed that the entire department has been instructed to do anything to

139 A chain of coffee shops and a popular hangout across all cities and towns.

140 What I found especially fascinating is how she was a Gujarati by heart; he concerns for the lowest castes in Gujarat, their culture and tradition and how these are under assault by present policies while she was giving the interview.
make land available if and when an industry demands. Such service to the capitalists possibly explains why Gujarat has been attracting such high industrial investment although actual owners of land are paid little heed both in terms of compensation and alternative employment in the process.

At village level, the political class works through its kin to facilitate land transfer. A mukhia (panchayat head) was found to be the nephew of the local MLA and has been instrumental in selling land to factories and continues to offer land to external agents. (interview: Shashi October 2011) This is an instance where the local government representative acted as a broker in land transaction suggestive of how decentralisation is furthering the penetration of capital, and relation to the political leaders is critical in setting up such deals. The mukhia has accumulated by setting up such deals thus transforming into new petty bourgeoisie.

Reported by respondents across districts that land was being bought by NRIs, I happened to meet individuals who bought land themselves, thereby supporting the thesis. In Anand district, cases were observed with NRIs settling back in their ancestral village or town, after 15-20 years of departure. I met a businessman in Ahmedabad who told me how he has bought land in his traditional village. A professional from London has recently invested in a house in Baroda. This is creating a demand for residential plots and housing, increasing land price. It has been a factor for easing the process of land acquisition, thereby transferring land from farmers to NRI families. Having established that land is transferred from agricultural to non-agricultural use, question arises whether this indicates a shift from big farmer to capitalist power over state? Rutten (1995) found instances of capitalist farmers speculating in land market as early as in 80s. Similar observations have been made by Sud (2007). My fieldwork confirmed the presence of an expanding land market and active participation of big and capitalist farmers in the process of land acquisition; even middle farmers in some instances. A Rajkot farmer was disappointed since he could not sell his land as their village came in the red-zone, where buying land was prohibited. A middle farmer negotiated prices for land with a private chemical company and continues to assist in their land acquisition, for a cut. Mention of intermediaries was common in land deals (interview: Kheda October 2011). A kind of unholy alliance seems to have emerged.

141 This was told by a close confidant of a relative of mine, who was directly involved in acquiring land for a factory.

142 Area demarcated disallowing land acquisition from the region.
around land deals where the capitalist is the primary beneficiary although a certain class of farmers also stood to gain given their connections to urban people, their access to land and access to larger community of farmers who might potentially want to sell land. Their class character is changing to that of new petty bourgeoisie.

It is documented that the capitalist class wants to accumulate land and that this requires shift both in policy and in material conditions of the owners of land to ensure that land is readily available for sale. Leaving the rural sector as non-beneficiaries of its policies had already cost the BJP dearly at the parliamentary election 2004, so policies had to feed the class interest of propertied classes inhabiting the countryside as well. These aspirations have been managed adequately by the state through inclusion of these classes in the political settlement.

5.9 Conclusion
The state of Gujarat has manifested strength since 2001, marked by Modi assuming power. It has been working overtime to push the interest of the industrial class. This is a marriage of interest where the mercantile ethos pervades both. The political leaders and bureaucracy are both active within the ambit of the state, resulting in the state as a whole to emerge as the most favourite destination of investors. It has been shown beyond doubt that the bureaucracy has formed the backbone of market forces, facilitating the latter’s operations. A settlement among diverse political forces is noticeable, involving propertied classes, including the political class which is contributing to political stability. The state does enjoy some autonomy, as displayed in supporting local companies against Monsanto and has been on the driver’s seat in realising the growth.

Since independence, Gujarat has treaded a specific path, but well within the paradigm of classical transition of capitalism. The surplus accumulation begins from agriculture and then there is diversification to trade. This trade is not just in India but also foreign markets, to grow at a fast pace. This compelled the rural bourgeoisie to move to urban centres, and we classify them as capitalist landlords. Mercantile capitalism thrived on agricultural income, adding to the surplus, until the class was ready to move into industrial capitalism. This was the picture that unfolded till the 70s. In the 80s, Gujarat began to concentrate on the secondary sector and by the ‘90s, it had achieved commanding heights in manufacturing but delinked itself from agriculture. A difference that the state maintains is that capital did not delink itself from land completely (Rutten 2003, Damodaran 2008, Sud 2007, Breman 2007). The 'Gujaratness' of the story is that a part of the class continues to situate itself in rural economy and cultivation, and dominate the rural
proletariat. In the decade following 2000 the linkage between sectors get reinforced by rising profit in new cash crops and new technology, brought in by foreign companies. These agrarian propertied classes invest in exportable crops and make good use of technology and irrigation.

Caste discrimination and caste affinity were observed in villages; ghettoisation of lower castes who cultivated upper-caste big farmers’ land but were excluded from latter’s social life and physical space was also seen in villages; while intolerance to other religions, especially towards Muslims were noted across interviews. It came up even in mundane conversations with people I met in urban areas. Beneath the peaceful image lies a divided society.

The most critical finding is the state in Gujarat is pushing for capitalist large-scale agriculture in an organised way and is conscious that this process involves pushing small holders out of agriculture. The increase in large holdings is a clear indication of the direction in which the policies is pushing the sector. Since its objective is clear, it is turning a blind eye to the other, the classes who cannot be drivers of capitalist agriculture for lack of access to land, water and credit resources have been left on their own. Millions of small farmers and rural wage labourers’ source of livelihood are at stake but that is not arousing due concern, as interviews with state officials reflected. Capitalist farmer remains an important class but in a new garb. Agriculture is often no longer the chief source of income and the new sources of accumulation is trade, retail shops in agricultural input, consumer goods and rent from hiring out pumps. They have come to assume merchant capital and new petty-bourgeois class positions. New petty bourgeois tendency is observed as the market is more predominant in providing these sources of accumulation, with state acting as the benefactor. Their relations to means of production have been altered under new policy regime. Although this process began in earlier decades, the culmination happened post 2000 under fervent government policy.

Unlike Chhattisgarh, Gujarat’s big and middle farmers are cash crop growers only and extensively use capitalist methods\textsuperscript{143}. This explains why a state otherwise propagating market logic is directing its infrastructural support and subsidies to specific crops, like maize, cotton, floriculture. The food crop growers are almost always owners of small holdings and/or no irrigation facility. A separation of interest has arisen among the categories. South Gujarat farmers have been forerunners, but past decade has seen a representation and consolidation of northern

\textsuperscript{143} See table 5.1
district farmers while Saurashtra has lost its hold. Hence they demand subsidy in electric pumps, higher prices and access to chemical inputs. Investment is not an obstacle if returns are high. Corporatisation of agriculture is seen as the main change at present. There are private companies which are also eyeing the same opportunity while the state is looking at them for pushing agricultural growth statistics. The loss of Saurashtra’s hold on Modi became apparent as the opposing GPP party arose from this region in 2013 elections. The state’s strong adherence to market logic has delinked it from the objective of social justice. The same facet becomes apparent in its attitude to different marginalised groups, viz, little effort to provide protection to labour and poor performance in distributing *patta* to STs under the forest dwellers’ act (Bandi 2012).

The voice of state senior officials claim that infrastructural support and any other kind of support, monetary or irrigational, has been made readily available to farmers, but the systematic removal of population from the sector thereby adding them to the pool of workers is as real. Labour data goes unaccounted for footloose labour (Hirway 2012). This aspect of ensuring availability of cheap and informal labour can be seen in the other practices already noted. Vacancy in labour department or lack of official statistics on wages point at the same direction. Others might regard it as indifference, but I would argue in line with other scholars like India Hirway and Neha Shah (2011) and Rohini Hensman (2014) show that it is a deliberate attempt to suppress labour struggles and maintain low wages. The repeated complaints about increasing wages due to introduction of MGNREGA (which is as high as minimum wages) and the state’s eagerness to tackle it by mechanising agriculture, reflect shared ideas between state and capitalist farmers.

The steps enumerated serve the interest of the capitalist as well. Land and labour are both needed by industry. This holds more true now than ever with capitalists' growing interest in real estate. Under these circumstances, allocating land to marginalized population would be against the interest of ruling classes. Rather as much land as possible needs to be kept floating and up for sale. The agile attitude of the state government to Tata providing land quickly and smoothly ascribed the state a favoured destination for corporate houses. In SEZ, cement, power etc. there has been a rush to make land available for all the projects. This requirement of the capitalist class to be attended makes change in agricultural policy mandatory.
Making agriculture unviable for smallholders has made a pool of land continuously available to sale. This is likely to be a kind of distress sale, caused by spiral increase in cost of cultivation and lumpy nature of technology. It has been shown how cost of production has shot up by the government’s indulgence towards private companies. They maintain high profit margin in providing certified seeds and chemical fertilizers. But as field evidence suggested, big and capitalist farmers have gained new opportunities through the same privatization of input policy. More importantly, this has weakened collective farmers’ interest and any political mobilisation on this line. In fact, in Gujarat, among the farmers I interviewed, there was not a single middle and big farmer who earned from agriculture exclusively. Rutten’s finding in 80s, has become more widespread in the past two decades. Their new class identity as petty bourgeoisie or merchant capital redefines their interest which is closer to capitalists, creating a new alliance between rural and urban.

Distinct from Chhattisgarh, Gujarat is pursuing the agenda of capital but the state has maintained its autonomy, which Poulantzas termed as ‘relative autonomy’. The bureaucracy has an autonomy in terms of class position from capital, though rent collection is high. Instances of capitalists fighting election were found but Modi for instance, is not accumulating from furtherance of capital personally, which gives the state legitimacy unlike Yeddyurappa in Karnataka and ministers in Chhattisgarh, despite capital’s close relation with state.
Chapter 6

Karnataka: A Case of state’s patronage and closing gap between urban and rural propertied classes

In line with the other field-based chapters, this chapter opens with a brief description of the state, its economic picture, sector growth rates after 1990, main sources of investment and alignment of lobbies. It then analyses the growth of certain agrarian classes and castes relating to different policies in the 1970s and 1980s. Three key features—corruption, farmer suicide and decentralisation—which characterise the regional state are discussed in this chapter since these hold relevance for explaining the field findings.

The objective is to identify the beneficiaries of growth: the changes the economy has undergone, especially in agriculture and how it has affected class-formation and consolidation. Another aim is to investigate whether propertied classes have relations with state institutions, to find possible links to how state allocates resources like land, water and credit and indications of how the political settlement operates within the state. This will also aid the investigation of class-formations and consolidation in relation to the key policies. Being a diverse state, patterns are likely to vary between northern and southern districts. The field-findings are juxtaposed with existing literature to present a comprehensive and nuanced picture. Literature review and government data will be the main sources in the first section.

Although Karnataka has four agricultural universities which publish vast literature, these were mostly not found relevant for this research. This was primarily due to the technical nature, micro-view or quantitative approach of these publications. Nonetheless, the information has been included, where appropriate.

6.1 Karnataka’s booming economy - the drivers and gainers
The period under scrutiny has witnessed Congress, Janata Dal Secular and BJP rule. Until 1994, it was under Congress, 1994-1999 was under JDS, 1999-2004 saw Congress at helm again and 2007-2013 had BJP rule, with brief periods of dissolved governments in 2007 and 2008. The section discusses the shift in sectoral distribution to GSDP, growth rates of three sectors in last decade, regional variation and the caste/class which have dominated the politics of the state benefitting from government policies and schemes.
6.1.1. Changing sector distribution

**TABLE 6.1 State sectoral growth rates in percentage**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2002-07</th>
<th>2007-12</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>agriculture</td>
<td>2.1 (2.4)</td>
<td>5.7 (3.3)</td>
<td>-2.9 (2.5)</td>
</tr>
<tr>
<td>industry</td>
<td>9.5 (9.3)</td>
<td>5.3 (6.7)</td>
<td>3.6 (3.9)</td>
</tr>
<tr>
<td>services</td>
<td>9.2 (9.2)</td>
<td>10.3 (9.9)</td>
<td>10.6 (9.4)</td>
</tr>
<tr>
<td>total GSDP</td>
<td>7.7 (7.8)</td>
<td>8 (7.9)</td>
<td>6.4 (6.9)</td>
</tr>
</tbody>
</table>

Figures in bracket are all India figures

The economic performance of Karnataka has been better than the Indian average in the last two decades. The average ‘real GSDP growth in the second half of the nineties was about 5.2 per cent in the primary sector, 8.6 per cent in the secondary sector and 10 per cent in the tertiary sector’ (GoK 2003 cited in Assadi 2010:100). Table 6.1 shows the above average performance of the last decade, except for agriculture in 2011-12, owing to poor rainfall. It has been successful in attracting 9.1 per cent of the total domestic investment alone and has emerged as the most preferred state for investment (ASSOCHAM, 2010). In foreign direct investment (FDI), it has attracted 9 per cent and has been among top five states. This has translated into a huge economic boom in the state, particularly in the tertiary sector which is predominantly IT driven. The state has maintained its closest relation with the World Bank and foreign corporates like Monsanto, Cargill etc. among the three states discussed in the thesis since mid-1990s, both in terms of adopting its prescriptions and taking favours like loans and providing land for GM seed trials. In fact the rise of the KRRS was in opposition to foreign organisations making inroads into state agriculture (Scoones 2008). The state has been attracting human resources from across the country in search of lucrative employment, with its capital Bangalore as the favourite destination. The political connections and power of the capitalist class which are central to explaining state-class interface are discussed in later sections, based on field findings and substantiated by literature.

Karnataka’s agrarian sector contributes about 17 per cent of the GSDP and accounts for the income of 65 per cent of the population. Therefore, income inequality vis-à-vis other sectors is evident, but how agrarian classes have performed and coped with new policies has potential to

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144 It has been earlier discussed in Chapter 2, section 2.4.
explain inequality within the sector. In early 2000, the state faced drought conditions which, together with political apathy towards the primary sector affected the farmers severely (Assadi 2010) and the sector registered low growth rates. Since then it has recovered (see Table 6.1). But whether this is applicable uniformly across the entire sector, or to specific crops and classes needs investigation. Things changed post-2005; first the Congress government in 2006 and then BJP in 2012 adopted new agricultural policies. Their main tenets, the vision for agricultural and key beneficiaries will be discussed in the chapter. It brings out the continuing aspects and new elements of the policy and relates it to the political economy of rural Karnataka.

6.1.2 Districts and regional disparity
A defining characteristic of the state is the regional divide that has broadened over the years. With Mysore, the erstwhile princely state which was the heart of the state, and now Bangalore, the IT capital of the country located in the south, development has been concentrated in the south. The northern region, continues to be deprived of concerted developmental efforts, and it has been witness to an increasing number of farmers’ suicides over the past two decades as well (Nagraj 2008).

Agro-ecologically, Karnataka may be divided into three regions: coastal, northern and southern. In the pre-reforms period, each region was characterised by distinctive agrarian features. The coastal part had a high incidence of tenancy (44 per cent of the total land), largely tiny plots of land and the lowest concentration of landownership and hence, had the most equal land distribution. In contrast, the southern region has been marked by the lowest prevalence of tenancy, signifying a greater magnitude of peasant proprietorship. The tenanted area in the northern part during the pre-reforms period ranged from 15 per cent in Dharwad district to as little as 2 per cent in Bidar district (see Figure 6.1). But it was marked by a skewed landownership pattern, with Gulbarga, Bijapur and Bidar districts displaying a high proportion of holding in the largest size group (20+hectares), often characterised as a case of landlordism (Deshpande and Torgal 2003). These districts are the most backward in the state in the sense of economic backwardness and social development. Post-reform period southern districts have shown high rate of commercialisation; Mandya, Mysore, Dharwad, Shimoga districts are the forerunners in high agricultural growth due to their performances in commercial crops.

Lack of irrigation in northern districts adds to the disparity. According to official estimates, about 45 per cent of agricultural land in these districts require irrigation, but the current extent is
only about 26 per cent (Rao and Gopalappa 2004). Southern districts have had the advantage of canal irrigation but since the state withdrew from investments in irrigation across India from the 1990s, even public tanks which historically was a crucial source of drinking water and protective irrigation for rural poor people in backward areas, have registered a decline (Ibid).

The districts can be classified into four categories based on the level of development. The ‘most developed’ and ‘developed’ covers all districts in south, except Tumkur and Chitradurga, and the highly backward ones consists of all northern districts (Sthanumoorthy and Sivarajadhanavel 2007). As in the following map, only two districts—Belgaum and Bellary—located in the north of the state are among the developed districts. This lop-sided intra-state development mirrors the concentration of natural, economic and political resources to the south.
Figure 6.1 Karnataka – districts and major towns; district visited

Source: Maps of India
6.1.3 Karnataka politics over three decades: Two dominant castes
The two castes which have traditionally been dominating the political scene are Lingayats and Vokkaligas. Lingayats are from the dry regions in the north of the state and Vokkaligas are from the wet south. Both these castes comprise of big farmers, white collar professionals and traders. The only period in last 60 years when the political stronghold of these two castes dwindled was the 1970s, under CM Devraj Urs who tried to implement the tenancy reforms. The Karnataka Land Reforms Act was amended in 1979, under which ‘agricultural labourers were given an entitlement to seek ownership rights over land inhabited by them. In his effort to create a support base with the backward classes, Urs introduced reservation for OBC in public employment. He maintained a balance between the two dominant castes by classifying Vokkaligas as a ‘backward class’, eligible for concessions from the government in educational and government jobs bringing them close to the regime.

The land reform has only limited success. Kohli (1987) plausibly, argues that it was the weakness of the state together with the power of regional propertied classes which interfered with the efficacy of the reforms. While more than half the reform applications being settled in favour of the applicant i.e., the labourer (Aziz and Krishna 1997, p.20-21), only 6 per cent surplus land was distributed (Deshpande and Torgal 2003). Moreover, tenants were forcefully ousted before the implementation of the reforms by the landowners. The actual beneficiaries were small and big landlords rather than the landless, defeating the stated purpose of land redistributions (Damle 1989, Nadkarni and Vedini 1996, Narendra Pani cited in Pani 1996). It also strengthened the economic position of big and middle farmers, by consolidating their holdings and gave them political voice. It may thus be argued that the reform added to the pool of proletariat, as evicted tenants became landless.

One social group which did gain substantially was the OBC which gained from tenancy reform and then consolidation its members’ position within various white-collar professions during the 1970s and the early 1980s, like state bureaucracy. This is similar to the case in Chhattisgarh where the OBC were inculcated into various institutional positions after achieving independent statehood. Karnataka unlike other states has two kinds of OBC categories, forward and backward. In Urs’ tenure only the backward groups were included into OBC category. Later, 145

The chief minister of fifth state assembly.
Chief Minister Hegde added the forward castes, like Lingayats, to bring them into ambit of state patronage (EPW 2005, Assadi 2006, Manor 1984). By 1988, these two groups who constituted 26 per cent of the total state population occupied 51 per cent of the total seats in the zilla parishads, 46 per cent in the state legislative assembly, 54 per cent in the state legislative council and 54 per cent in each parliament house146 (Reddy 1990; see also Radhakrishnan 1990, p. 1753). As justice Reddy (1990) argued, this political dominance is a reflection of the economic dominance of these two groups.

Over the years the government of Karnataka has created spaces for members from particular caste groups to grow as autonomous socio-economic categories. It consolidated the old petty bourgeois class-position within these social groups by making public sources available to few members from the group who accumulated and climbed the class ladder. Within the regional power structure, Brahmins exerted social power. They were the first to migrate en-masse to urban centres and at present, and they dominate better-paid and prestigious jobs. Population-wise, they constitute just 3.5 per cent, but their representation in higher employment is 19.5 per cent and 21.5 per cent in higher education. About 41 per cent of all government secretaries coming from their community, the Brahmins virtually are the ‘institution’ in themselves (Reddy 1990).

The castes and classes discussed so far formed two power blocs in the state politics after-1990s, and roped in Muslims and SCs. The two formations came to be denoted as MOVD consisting of Muslims, OBCs, Vokkaligas and Dalits and LIBRS consisting of Lingayats and Brahmins. Throughout the 1990s, the Vokkaligas maintained their stronghold and two chief ministers were elected from their community - H.D. Deve Gowda and S.M. Krishna. Though from different parties, their social base was the same. But the BJP, the present ruling party assuming power in the state assembly have their main support from the Lingayat-Brahmin coalition. They have successfully built a support-base in numerous other groups, especially the OBC, by offering them assembly seats (Manor 2007).

6.1.4 Farmer resistance and the rise of commercial crop cultivation
Karnataka, unlike the other two states under scrutiny, has an autonomous farmers’ movement, independent of the political parties. In the 1980s, the farmers’ movement took roots with the

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146 These data are from the 1988 elections. Give proper source – maintain same font in footnotes also
formation of the KRRS in the district of Shimoga and soon spread to other districts. KRRS conceptualised Indian economic backwardness as ‘weak capitalism’ where upper caste and capital have excluded the masses (peasantry and labourers) by denying them education and share in property (Assadi 1994). It also pointed out the urban and industrial bias of the government. Their central argument was that the terms of trade are against agriculture (Ibid, p.218). they demanded higher budgetary allocations and small-scale industrial units, to create higher employment. In early 90s they organised the strongest mobilisation against the WTO entering Indian agriculture, especially the input and price markets curbing farmer’s autonomy. Over the decade, the movement lost its steam.

Despite being a social movement, KRRS never challenged structural hierarchies and caste atrocities. As argued by Banaji (1994), the movement was in fact delinked from pro-labour issues. It remained a representative of the big farmers (Brass 1994, Nair 1996, Pattenden 2011). Ideologically, the movement understood the peasantry as undifferentiated, rendering caste, class and other fissures redundant, which led to the failure in addressing issues that affected small farmers. It systematically oppressed Dalits and other backward classes. Claiming to be voice for ‘all farmers’, it practiced hostility and oppression towards lower-caste small peasants, including violence against agricultural labour; it affected the legitimacy of the movement and, arguably, proved to be its undoing. Whether the organisation still holds relevance in state politics will be discussed below.

6.1.5 Key features of the state post-1990s
Few features have been discussed in this section which despite being delinked from agriculture are eventually woven into the field-findings to develop a sound understanding of the political economy of the state. With the son-of-soil Deve Gowda assuming power in the early 1990s, significant policy changes were introduced. In 1994-1995 (the same year when Gujarat undertook its counter reforms), Karnataka implemented a relaxation of land ceilings and allowed sale of agricultural land for non-agricultural purposes. This opened doors for capitalists and professionals into the sector. Deve Gowda toed the financial capital line that low ceiling on land ownership is an obstacle in market functions and optimal utilization of factors of production (Nair 1996, Jenkins 1999). Jenkins ascribes this to the support of the regional capitalist classes, aspiring to accumulate faster with the arrival of foreign capital.
Three other features of this state in the past two decades which are of relevance here are corruption, spread of local self-government institutions and agrarian distress.

A corrupt bureaucracy, exchange of favours amongst bureaucracy, police, government and industrialists and vast sum of illicit money arising from, among other sources, mining scams\textsuperscript{147} have characterised the state politics (Headlines Today 2011). The press named a former chief minister, party leaders, mining magnates holding ministerial positions and over 600 officials as indulging in corrupt practices which cost the exchequer Rs.160.85 billion between 2006 and 2010 (Ibid). Analysis of the 2007 election shows the enormous use of money power that played a role in the victory of the BJP. The political class accumulated massively and the average wealth of re-contesting legislators had increased by about 800 per cent (Vasavi 2008). A recent study argues that Karnataka has seen the highest proportion of petty corruption among the Indian states (Bussell 2012). In addition to the alliance prevailing between the industrial and political classes (state officials and leaders), agrarian propertied classes are arguably keen to reap benefits of the real-estate boom (Nair 1996).

Liberalisation of the agrarian sector was meant to change the lives of farmers which it indeed has. As the economic and social deprivation in some parts of the state reached epic proportions, some farmers were driven to commit suicide. The suicides started in 1998, first in the underdeveloped districts (Bidar and Gulbarga) but soon spread to the developed, commercial-crop farming districts. Various non-official but reliable sources have uniformly indicated higher suicide figures than those reported by the state. In 2001, according to such sources, the number of suicides registered was 2,505 (Nagraj 2008). Post-2000, the number kept rising. The central government admitted that between 2000 and 2001 and 2005-06, around 8,600 farmers committed suicide in Karnataka—the highest compared to any other state (Assadi 2011). The OBC farmers were particularly affected since they borrowed heavily from informal money lenders for production of high value commercial crops, particularly cotton and shrimp which was fetching good prices at that time. The unexpected decline in international prices along with unsupervised use of insecticides etc., which infested the crop, spelled their ruin and hundreds were forced to end their lives (Nagaraj 2008, NCEUS 2008, Rao and Suri 2006). Suicide occurred amongst small and medium-sized market-oriented farmers who had incurred high levels of investment in expensive modern agricultural production methods, e.g., deep tube-

\textsuperscript{147} For further details refer to Bussell (2012). The scams came to light, thanks largely due to an efficient lokayukta, the corruption ombudsman organisation at state level.
well irrigation (Reddy and Mishra 2009). These are fallouts of new policies, and indicate that small and medium farmers bore the brunt.

The third feature of relevance here is that Karnataka implemented local self-government institutions even prior to the Union government Panchayati Raj reforms of the early 1990s as the Janata party passed new local government regulations in 1983. M. G. Krishnan (1992) argued that this institutional change arose in response to the democratic consciousness among marginalised sections like peasants and Dalits. Moreover, various sections were deeply disenchanted and were looking for a (local) alternative to the Congress. Under the 1983 Panchayati Act, the zilla parishad was given extensive planning, administering and monitoring powers in matters of local development. In later section, an analysis of participation and empowerment of agrarian classes through PRIs will be undertaken.

From caste discourses, it can be deduced that the bureaucracy and big farmers and landlords were stakeholders in state politics during the 1980s. The focus on OBCs coming into rank and file of the state and the centre-stage of state politics being occupied by two castes take our attention away from class-position issues. Locating the class interest of these groups is important for understanding how agrarian policies are formulated and which classes they will provide benefits to. The big economic picture indicates that indigenous capital in the state is not all powerful, the way it is in Gujarat. The rapid expansion of the tertiary sector and the dependence on FDI have split the pie between foreign capital investing heavily in the state and domestic capital who are trying to maximise the opportunities created by new policies. In this context, the fieldwork focused on three classes: capital, the political class (bureaucracy and elected leaders) and big farmers. It sought to identify their class interest and to understand their inter-linkages, in order to then answer two questions: (i) what is the role of agricultural policy post-2000 and; (ii) how does the state balance diverse interests within itself.

6.2 Fieldwork
Here, fieldwork findings are presented and related to the literature review. It is argued that, today, big farmers and landlords cannot be characterised as solely rural classes as new opportunities created by neo-liberal policies have enabled them to diversify. As a result, they are more aligned to urban capital, and regard agriculture as a more peripheral activity. That said, they

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148 The strong tradition of decentralisation has its roots in Mysore state.
have embarked upon profitable capitalist agriculture as well. At the other end of the rural spectrum, small, marginal and semi-medium farmers are facing increasing debt due to privatization of inputs. A polarisation has set in between classes of farmers affecting farmers’ movement adversely in the state. The main class dominating the state is capital, both domestic and foreign; and capital has partnered with petty bourgeoisie elements to penetrate the rural sector. The petty bourgeoisie has its roots in the big farmers and landlord class. Here, the policies 2006 and 2012 have a significant role to play as their promotion of commercial and high value crops are protecting and promoting the interests of rural propertied classes.

The section opens with a discussion of the different classes dominating the state economy and the lobbies and other political form that classes take. Subsequently, a detailed discussion of agrarian classes and policies in the 1990s and change post-2004 are undertaken to argue that after the defeat of the NDA in the national elections in that year 2004, regional states have taken utmost care to inculcate big farmers in political settlement.

6.2.1 Balance of power and lobby politics: State lobbies and their changing dynamics
The following section is concerned with the dominating class interests and their changing interests. By comparing their lobbies and, especially, which lobbies have gained in last decades, the main demands of capital is assessed. This also informs the ‘political settlement’ that prevails at the state-level.

An eminent technocrat who has participated in policy processes for the last three decades, had a clear view of the relationship between politics and lobbies: ‘politics is an intersection of different interest groups and lobbies. Few interests are unique to one lobby for which they negotiate amongst themselves, while some interests are common to several lobbies which are negotiated among them’. This is how the politics of the state works (interview: Bangalore, March 2012).

The Congress Party ruled the state from the late 1990s, followed by Janata Dal from 2006 to 2007. Vokkaligas were the dominant caste-group in both these party regimes. BJP’s ascent to power in 2007 was grounded on its appeal to Hindi (linguistic identity), Hindu (upper-caste), and Hindustan (chauvinistic national identity). Yedyurappa came to power as chief minister in 2007 based on his Lingayat support-base (Shastri 2009). He had to resign owning to corruption charges for one of India’s biggest mining scam under his chief minister-ship. Illegal mining in the district
of Bellary cost the state exchequer a loss of Rs 10,000,000 million (Mondal 2013). Several MLAs were implicated in the case. Despite this, Yeddyurappa indirectly continues to influence state policies, as evident from him shuffling the Chief Ministers of the state (interviews: regional party political leader, Bangalore July 2012 and journalist, Bangalore August 2012). To keep the Lingayat constituency happy, BJP has been paying him heed. Their constituency, Shimoga, has strong patron-client relations as noted in the interviews probably due to underdevelopment in northern districts; hence, access to state resource is an important source of surplus. Those with cliental relation with Yeddyurappa and Eshwarappa made money in the corruption cases; this explains their economic and political dominance in these districts. In a respondent’s words, ‘they have divided the Shimoga district among themselves and are making huge earnings from its natural resources’ (interview: journalist, Bellary July 2012). Despite them pursuing politics as a vehicle for individual and their clients’ economic gain, they have retained political support of their caste on the face. Although from the south, Yeddyurappa has been instrumental in ‘bringing in the northern landlords into politics’, remarked a Kisan Sabha leader (interview: Bangalore April 2012).

The northern districts which are fast gaining prominence in both economic and political spheres have posed a challenge to southern districts’ dominance in state politics (interview: journalist, March 2012). It can be interpreted as opening up of political space to those who were outsiders. At a superficial level, the political struggle is among the castes, but looked at deeper levels, the class character becomes apparent. It is the motive to gain more resources which drives the quest to capture state-power. North-south lobbies’ relative power can be discerned from the regional shift in politics.

The shift in the power-bases of the ruling party can be traced to change in the position of the political lobbies. The education lobby and the service sector (information technology) were the most dominant lobbies up to the change of the century. Post-2000, the real-estate and mining lobbies have become the two most powerful lobbies exerting disproportionate influences over the ruling party (Pragoti 2008). Geographically, the real-estate lobby has a commanding presence in south Karnataka and mining has a tighter hold on the northern districts. The third important lobby is that of education and they are primarily located in the coastal belt i.e., Dakshin Kannada and Udupi. Private education institutions and international schools dot the district. However, an

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149 A senior BJP leader who was a cabinet member in 2007 holding power portfolio. He was elected as BJP state President in 2010.
industrialist might hold a diversified portfolio, for example, one who owns an educational institution, a bank, a liquor company and sometimes even a fertilizer company, for example, Vijay Mallya who wields power across lobbies.

Several newspapers such as Vasavi (2008) and Pragati\(^{150}\) (2008) have analysed how the lobbies assume political power. There are quite a few instances of the economically-powerful contesting elections across districts like Bellary, Shimoga, and Mangalore (Vasavi 2008). It is well-known that in the 2007 state assembly election the mining lobby concentrated its finances in elections in six districts-Bellary, Chitradurga, Hubli-Dharwad, Haveri and Tumkur (interview: senior political leader\(^{151}\), Mumbai August 2012). A journalist argued that the mining lobby spent up to Rs 30,000 million in this election. Foreign capital also played a significant role in relation to the regional state. It is clear from several interviews that indigenous and foreign capital share a strong interest in ‘land’. The class is seeking revision of land acquisition policy to facilitate the same. Agricultural landowning has an upper ceiling which hinders legal acquisition and the state from time to time declares land as non-transferable to protect agricultural land, recent examples coming from the Bellary district. Capitalists see this as hindering rapid development, and they want a political party at helm of affairs who can materialise their demand. The political class can use this to maximise its economic gains by perpetuating interest of the capitalist (Bussell 2012).

Powerful capitalist interests also influence public policy by assuming positions within state institutions like taking membership of Karnataka Vision group, Agricultural Mission and Karnataka Education Mission which were formed by the government to oversee state development. These commissions had no representation from farmers, Dalits or religious minorities (Narasappa and Vasavi 2010).

The weakening of the farmers’ movement in the 1990s has translated in weakening of farmers’ lobby, as noted by a senior technocrat\(^{152}\) (Bangalore 2012). But evidence suggests that crop lobbies are operating in the southern districts. Sugarcane farmers have an independent organisation dealing with their demands, namely, the Karnataka Kabbu Belegavara Sangha\(^{153}\).

\(^{150}\) It is a publication of a Left Organisation in India.

\(^{151}\) A senior leader of a regional party, he is known to me through a reliable source and shared the information on grounds of anonymity.

\(^{152}\) I met him on several occasions so no month is provided for his interview.

\(^{153}\) Its presence is only limited in Mysore and Mandya.
Here the number of membership becomes important as a measure of strength of the organisation. (interview: technocrat, 2012).

The strength of crop lobbies like sugarcane and arecanut shows the negotiation power of big farmers. But it is secondary when pitched against interest of capital. Recently, the central government passed a law that if state governments force sugar cane mills to pay more to farmers for sugarcane, then the excess must be financed by the state government (Interview: Dhananjay, Mandya 2012). Hence mill-owners have been given immunity from farmers’ demands. One respondent conjectured that this happened because of Sharad Pawar’s presence in the Union government, a sugar baron to voice the mill owners’ interest at the cabinet. Again, Umesh Katti, the state agriculture minister, himself owns a sugar factory. So from his perspective, farmers are secondary to capitalists. In Bellary district, the farmers reported that the local mill-owner was from Maharashtra and had monopoly on their crops which curbed their negotiation power. Sugarcane farmers in Dakshin Kannada district were facing similar adverse conditions. The upshot of this is that, given the political class’ alliance with capital, farmers’ hold a secondary position (academic, Mangalore July 2012).

But does all this mean that, in general, farmers are the net losers? Respondents indicated that the flow of black money and illegal transactions have led to the formation of a petty bourgeoisie within the agrarian structure. These farmers, primarily big, medium and those who are in political positions like sarpanch, have risen to prominence in just a short span of 10-15 years (interview: academic, Bangalore 2012 and activist, 2012). They have preferential access to state resources, an important component of which are the MNREGS funds, given that almost 99 per cent of MNREGS resources in the state are disbursed through the gram panchayats. Political position is used to consolidate economic position or to put it crudely. As reported, the new political class siphons off funds from cooperative society loans, cheap seed and fertilizer, funds for road construction etc. (interview: journalist, August 2012 and activist Tumkur 2012). In one district, the contractors were using machines to complete MNREGS work and pocket the money. Simply put, what is witnessed is corruption through political connections as accumulation. This is very much in line with the findings from Pattenden’s Karnataka village study of such accumulation (2011). More such instances will be discussed in subsequent sections. This indicates that there are deep cleavages even amongst the farmers. At the top are the rural proprietary classes who control and determine access to resources and distribution for private gains while others depend on agriculture as a source of employment, household food security etc. This development within agriculture is pursued in-depth in subsequent sections.
6.2.2 State at the core of accumulation: Strong patron-client relations
This section will present instances of economic accumulation as a result of political contact or political clout, displaying how one power translates into another and how connection to state resources enables access to economic surplus. Agrarian roots of many of these individuals have been traced, indicating how big farmers can remain unaffected by the agrarian crisis. It is also shown how common interests across propertied classes may arise around some types of accumulation, not the least around ‘land acquisition’. The cases are assembled from different respondents, including three core informants: an activist from Mandya, a journalist in Bangalore, and a political leader in Mumbai. These respondents were extremely reliable, and were referred by family friends and colleagues.

Before entering the individual cases witnessed, the following quote of the Chief Election Commissioner (CEC) of India would be useful to get a glimpse of the picture.
“total value of hard cash, liquor and goodies seized in Karnataka was Rs.455.7 millions, the highest value (by a wide margin) in any general election to a State in my four years in the EC. Big spending in elections by parties and candidates is a manifestation of the festering disease of corruption and concealment of income leading to the generation of black money. If a candidate is willing to spend ten times more than the prescribed ceiling, it is not out of philanthropy, but in the secure knowledge that he can earn ten times what he spends once he gets to the seat of power” (The Hindu, Op-Ed, May 31, 2008 quoted in ADR 2008).

Against this backdrop, the districts under field study showed these instances. Ram Krishna, a PWD officer, is a middle farmer and a Congress worker with deep connections into the state-level bureaucratic set up during the tenure of the Chief Minister, S. M. Krishna. During this period, he bagged many contracts for public works. It is common knowledge in related circles that he made significant amount of money, illegally, through these projects, as told to us by an activist. After a successful phase working as a contractor for the PWD, he has come to own a kalyan mandappa, one petrol pump, over a hundred tractors and more than 5 JCBs. Surplus accumulated has also been invested in buying more land and today, Mr. Krishna is a big farmer. Over the past few years, his accumulation drive has continued unabated and in fact has been fuelled further through various MNREGS projects for which he operates as a lead contractor (activist, Mandya 2012).

154 Public Works Department
155 Marriage hall.
Swamy had started as a small-time contract worker twenty years ago. Left jobless when the factory shut down, he headed to Bangalore in search of work. Here, he came into contact with government employees, especially judges. With them, he started a cooperative bank. The income was used to buy land and he now owns 100 acres of land. He continues to purchase land and develop business complexes on the property. Three years ago, he was elected as a member of the state Legislative Council (MLC) (activist, Mandy 2012).

Govardhan, a rich farmer, similarly acquired assets in Maddur town. His wife won the Member of Legislative Assembly (MLA) election. Later, he contested the state election on a Congress ticket and won. Her opponent was a retired officer of Karnataka Industrial Development Board. Known to have abused the power and position of his office for private gain, the opponent also entered politics post-retirement. He initially joined the Congress but later shifted to the BJP. However, he was also seen campaigning for JDS for taluk panchayat elections. It points at political opportunism, where ideology comes second to factors like caste and class in present day politics.

Arjun is a two-time MLA. In addition, he owns nursing colleges, primary and high schools. He is also the chief of Vokkaliga Sangha (VS) which runs hospitals and schools. He started off as a middle farmer then joined KRRS and later shifted to Vokkaliga Sangha. Once more political organisations play an instrumental role in furthering individual gains, but spend little energy in realising the objectives of the political organisations.

Other MLAs also combine business interests and contracting. A three-time MLA owns a quarry and stone-crushing business and is also a private contractor, and instances of other elected representatives from across parties were reported to own mines and indulge in contracting. The prevalence of such activities indicate that dominant economic interests actively seek direct political power to fuel, sustain and protect their accumulation. These are cases of ‘personal fusion’, as noted in Chhattisgarh. Corruption and maintenance of patron-client relation with the state and other illicit practices is a central source of accumulation. In terms of class, many of these characters began as big farmers and went on to invest in other sectors, like opening schools, quarries, contracting, banks. A part of the surplus is also reinvested in acquiring more land. There are also instances are where political power preceded large land-ownership.

There are only few examples of the persons who started off from modest backgrounds but whose political connections, then, brought them economic surplus. Some instances of this variety are discussed in section 6.11 where reservation has brought in people from lower castes.
and middle and small farmers’ class into the ambit of political power. One observation is that the distinction between pure economic classes and political classes is increasingly blurred. Existing economic classes (i.e., non-state involved classes) nowadays seek to capture political power and determine state affairs, and the political class indulges in corrupt practices by accepting funds from capitalists which is invested in trade and industry. The separation of capital and state seems to narrow down.

The literature argues that the incidence of corruption was higher in the state, as did our interviews (Bussell 2012). A respondent pointed at how this has affected change in politics: ‘before, only big landlords and their sons used to come into politics. But post-1995, the “new rich” have entered politics. They directly approach people for votes, by crossing the landlord’s house. They en-cash upon the resentment of people against old landlords’-(interview: Mandya 2012). The respondent was referring to petty bourgeois elements who have emerged strongly in the past 15 years, who do not belong to the upper castes or landlords. Their origin is as big or middle farmers. They have high liquidity, which big farmers—if they have not diversified into other sectors—do not have and this is a major plus point in fighting elections. The informant was a reliable person who has spent the past eight years working for people’s issues and whose insights were well-respected also among senior academics. Palaniswamy and Krishnan (2012) in their recent study present a similar evidence.

A new petty bourgeois class has arisen which accumulates by opportunities brought in by market, as Poulantzas (1973) had predicted. They have accumulated but not invested capital in trade or industry. They are steadily reducing use of their labour but many of them from middle farmers still use their labour in agriculture alongside hiring wage labourers. Whereas the big farmers thrived exclusively on hired labour and have begun investing in trade like coal transport or contractor business as evidence showed; hence, they have assumed a rural capitalist character. Khan’s (1996, 2000) notion of rent (bribery, corruption, land deals) which accrues to the elite can be seen here, but the political class’ investment in trade and seldom in industry, is transforming it to capitalists.

6.3. Two phases of agricultural policy and its thrust areas
In the 1990s, WTO intervention, seed imperialism and preferential price policies changed the agricultural scenario and developed new agrarian relations in the state marked by shift from distribution of resources like land and water to input centricity and technology driving
agricultural growth. The Karnataka state government was very keen to make use of the new opportunities created under liberalisation. The state government in particular was an early adopter of technology and private inputs, and cut down public investment. As put by Nair (1996), ‘Karnataka must prepare to harvest its share of investments in the aquaculture, horticulture, floriculture and housing industry’ (p.251). The state had low agricultural growth rate through the 1990s until 2000. It had to achieve high growth and for the same, it cut back subsidies. The need is to increase incorporation of cultivators into the market sphere and public sector withdrawal from procurement. Despite the Food Corporation of India (FCI) regularly raising the ceiling of agricultural prices, its purchase of cereals fell sharply with the opening of the sector to international trade. This has generated price uncertainty and influenced farmers to take up cultivation of more market-viable crops (Deshpande and Prachitha 2006). For most farmers, these are uncharted waters, which together with the increasing the input cost structure has made coping with price variations of world markets difficult, particularly so in the case of small farmers who are caught in the vicious cycle of debt.

Agrarian reforms began to be implemented since 1990s, but had some severe results like falling sectoral growth and farmer suicides. Though most Indian states adopted the strategy, Reddy and Mishra (2009) blame the Karnataka government particularly for its 1990s policy ‘squeeze investment in agriculture’ for the agrarian crisis the farmers underwent. This continued into the 2000s. In 2001 the World Bank granted the state an Economic Restructuring loan. It came with strings attached, underlining most importantly that the government should withdraw from the power sector as a regulator and distributor of power. This led to the bifurcation of the Electricity Board. The outcome was the partial withdrawal of subsidy given to the farmers or to the agriculture sector in general such as free power, and in fact, power tariffs increased drastically. The expected outcome would be far more adverse for small farmers than the big and capitalist farmers who were capable of taking on the pressure of paying electricity bills.

However in 2004, India witnessed the loss of power of the NDA at an all-India level reiterating the power of rural propertied classes (Rao and Gopalappa 2004, Bose 2006). The policies undertaken right after that in 2006 and then in 2012 had to pay attention to the interest of these classes. The state government distanced itself from the service sector and visibly adopted a rural-friendly language (Vasavi 2007). It is worth noting that despite the GATT prescriptions of a minimal role of the state in the sector, the state has resumed its role in steering the sector’s growth in the decade after 2000, in choosing the crops to be focused on, the items to be subsidised, targeting credit etc. Until 2007, the state had JDS and Congress rule and since 2007,
the BJP has been in power except for six months, between November 2007 and May 2008. The government declared that ‘Karnataka agriculture has seen low level of public investment, not all farmers have been able to access credit, modern technology, irrigation and markets’ (GOK 2003). Despite detailed consultation with agricultural scientists and experts, including Swaminathan, a leading authority on agriculture\textsuperscript{156}, the 2006 policy aim was not distribution or innovation in indigenous innovation for food grains or other crops but doubling agricultural production over the next decade with help of imported technologies, biotechnology and corporatisation of agriculture. Corporate agriculture despite its dreadful negative implications for employment generation was held as a way forward: an investment of Rs 30, 000 million in coastal Karnataka reaps employment of only 350 persons (Deshpande and Prachitha 2006). This can spell disaster for SMFs who have survived by working as labourers in the agricultural sector. But it could push the agricultural growth target fixed at 4.5 per cent per annum, up from 2 per cent in 2002. Post-harvest value addition, better communication between 'lab and land'\textsuperscript{157}, and better opportunities to enhance farmer net income were some of the other aims of the policy. It lists hybrid seeds, chemical inputs, and mechanisation as the features of the new agriculture of the state. Like Gujarat, it is pursuing a second wave of change in cropping pattern. A major focus was given to maize, sunflower, pepper, cotton, groundnut and horticulture given their demand in the export market.

The origin of the farming crisis has been ascribed to stagnation in public investment (Assayag 2005). It might hold true in the 1990s but it changed in the following decade. The agriculture and allied activities outlay approved by the Planning Commission and state government between 2003-2008 is Rs.4923.8 million at 2002-03 prices, which is 4 per cent of total budget and 86.15 per cent higher than the Ninth Plan approved outlay (1997-2002). The Eleventh Plan (2007-2012) has agricultural budget of Rs 1,13,200.8 million which is 8 per cent of the total budget outlay\textsuperscript{158}. The government aims to contribute 8.9 per cent of the Twelfth Plan outlay to agriculture. Counter to prescription of minimalist state, state has (re-)assumed a larger role in the agricultural sector.

\textsuperscript{156} He has highlighted the plight of small farmers and has documented the rising cost of cultivation in post-liberal era.
\textsuperscript{157} Bridging the gap between latest research and farmers, so that the latter can make use of technologies.
The 2006 New Agricultural Policy takes a stand away from blanket policy to making special provisions for the small farmers and offers solutions like forming cooperatives to share high cost of cultivation since small-holding cultivation is uneconomic. But ground reality tells a saga of continuing deprivation and farmer suicide among these classes. A reputed technocrat mentioned, ‘like there are principles enshrined in Indian constitution but never followed, so are we, bureaucrats and government advisors enshrined in our official positions, who have no choice but to sign policy documents’. What he meant is that even though tenets of the policy are selectively implemented and they are aware of that, documents are still made official to score political points and capture popular support; forming cooperatives to make small holdings viable being one such tenet. He pointed at another example, the issue of making water available in arid and semi-arid zones, a cause of farmer distress but in six years since the policy has been made public, no constructive plan has been drawn up (interview: senior policy maker, Bangalore 2012).

In Karnataka, a shift from growing traditional crops (cereals) to high-value horticulture crops, sericulture and animal husbandry has been observed (Deshpande 2004 and Gowda 2009). Over 182,000 hectares of additional area have been brought under horticulture during the Eleventh Plan period (2007-2012) under the National Horticulture Mission (NHM) (Mishra 2012). In 2007-08, horticulture occupied 2,23,000 hectares, which is only 14.5 per cent of net cultivated area but income from horticulture constitutes over 40 per cent of the total income generated from the entire agricultural sector. Hi-tech floriculture has emerged as central to new cropping pattern with export registering steady rise over last decade, with the state accounting for 60 per cent of the total cut-flower exports from the country (Gowda 2009). Clearly, export-driven agriculture has come to define this state’s agrarian sector. Another example of the export-orientation promoted is the state’s emphasis on aquaculture; the Karnataka Reforms Act, 1961 was amended to extend facilities to farmers so that they could adopt aquaculture (Nair 1996). The amendment has provided a lot of support to shrimp culture, undertaken mainly in the coastal belt for export of prawns and such similar other produce. Though shrimp export is an area in which India has achieved stunning progress but in the neighbouring state of Andhra Pradesh, it has been a cause of farmer suicides owing to high investment followed by crash of prices (Sridhar 2004). Again, high capital investment or informal debt is the premise on which cultivation of the crop rests.

159 Like in service sector, IT is the dominant sub-sector which has been winning state support. The state’s alliance with foreign capital is prominent in both these instances where capturing foreign market is the dominant intent.
Another feature of the agricultural policy which has been highlighted is organic farming. Organic produce has a demand in urban India and the state government is trying to fund organic farming selectively in some districts like Coorg, but such measures are unheard of in other districts according to our literature review and interviews. In Coorg there are families trying to become organic to break away from the spiral of increasing cost of production based on chemical inputs. I met two big farmers owning plantations who spoke about this transition, both graduates (rare amongst farmers). One of them explained that, ‘when you adopt organic method, the first two years there is poor yield; this loss is difficult to bear. It is only by third year that one starts to make profit’. Therefore, in effect, this scheme too can be made use of only by those who can wait until the third year for a higher yield and therefore benefit from higher returns meaning the surplus-producing farmers (Siddharth and Ravi, Coorg April 2012).

The liberal land ceiling policy introduced in Karnataka in the early 1990s allowed non-agricultural private/public limited companies to acquire large agricultural lands for hi-tech floriculture purpose. After 2000, hi-tech floriculture units in Karnataka have increasingly been owned and organised as private limited companies to take advantage of the industrial benefits and subsidies provided by both state and central government. It seems that the main beneficiaries are from outside the state; a large majority of hi-tech floriculture units in and around Bangalore district are owned and organised by entrepreneurs from Andhra Pradesh (Gowda 2009). Evidence showed relatives of government officials investing in nurseries around Bangalore (Ganesh, Tumkur 2012).

As in Chhattisgarh and Gujarat, in Karnataka too the central focus of the current agricultural policy is ‘high growth’. Respondents, especially those representing the state and the big farmers, reiterated one dimension of the new policy - it’s the objective of ‘how to make agriculture a fast growing sector utilising economies of scale’. They also spoke of mechanisation and labour problems which confirmed that these big farms were owned by those who did not undertake self-cultivation, and were entirely dependent upon labour. By applying technology wherever possible, they are seeking to minimise labour use, labour costs and relieve themselves of labour problems. Murthy added that the uneconomical landholding size precludes mechanised farming (interview: Shimoga 2012). This found resonance across interviews with big farmers from Dharwad, Mandya, and Mysore. In addition, labour costs have more than doubled in the past decade and has significantly escalated the cost of production which is the factor that concerned them most. The rising cost of chemical inputs was not seen as much of a problem since it gave
higher yield. Describing rising labour costs as the biggest menace that agriculture is facing today cannot be the perspective of a small farmer who is inevitably also a wage labourer. Hence, support for government’s policy of mechanising agriculture is readily available from capitalist and big farmers in whose interest this is.

Price policy, despite the ostensibly ‘scientific approach’ to the process of arriving at the cost of production, was modified as per the recommendation of the political leaders, to serve interests of their clients (Assyag and Fuller 2005, Deshpande 2002). Such intervention occurred for a handful of crops affecting the price parity across crops and minimised the role of input costs in determining MSP. Through this the state is protecting the interests of big farmers who grow certain commercial crops, critical to growth. Such patronage stands opposed to any idea propagated by World Bank where market was to determine prices. The other gainers are the intermediaries who watch the support prices carefully, buy at low prices from the Small farmers (in need to sell at the earliest to return their debt) and then make profit by waiting for state procurement. (Deshpande and Naika, 2002; Assadi, 2000, interview: small farmer, Mangalore 2012).

Field evidence found liberalism has altered little as to how pricing for sugarcane is decided, with one exception. Like the 1990s, respondents suggested that intervention of stakeholders at state-level have a significant role in price-setting for select commercial crops, like sugarcane and cotton. Though recently, the centre has tried to protect the interest of the sugar mill owners by trying to minimise the role of state governments in deciding MSP. Herein again, the difference between big and small farmers emerge; in line with what was reported in the literature, despite 'intervention price' which guarantees a buying price, marginal farmers are coerced to sell to local traders and merchants, where they get lower than MSP. There are several reasons for this, like the cost of transporting cotton to the Cotton Corporation of India office, long waiting time (extending up to several days) at the office and finally, the compulsion to pay loan interest on time which forces small farmers to sell to traders. Farmers could not afford to wait for encashing the cheques issued by corporations (Assadi 2000) and they still cannot. New institutions and enhanced prices change little for those at the bottom of agrarian structures (interview: activist, Mysore June 2012 and technocrat, Bangalore 2012). Concerning the crop, areca nut, the big capitalist farmers are major gainers and their organisation has built a link to agri-business which makes them shareholders in the processing of their produce. In the cotton producing districts such farmers are well-connected with traders and cooperatives thus allowing them to rake in the
major share of profit, while small producers sell to local merchants (activist, Mysore June 2012). The government recently wrote off loans of farmers in drought prone districts after 2009 and 2012 drought conditions. But as reported by farmers, the allocated funds never reached small farmers since it was meant to cover those who took loans from institutional source (Narasappa and Vasavi, 2010 and interview: Dharwad 2012). The reassertion by the state that it cares about the big farmer interest is more than evident.

All this leads to the conclusion that an incentive structure is created for a class of big capitalist farmers under the garb of deliberately directing the flow of resources towards certain crops, the new favourite being export-oriented crops. Even if it hurts the food security of the people, or does not cater to small farmers who are mainly food crop producers, given their marginal position both politically and economically, their interests are happily sidelined by the state. The big farmers have reinstated itself into the political settlement and their interests are being safeguarded through agricultural policies and informal practices in other sectors, as elicited in following sections.

6.4 Defining a farmer gets tougher: Classes of farmers
Different stakeholders in different districts stressed the necessity of understanding the different categories of farmers so as to understand the absence of a common unified farmer voice. Having had a successful Green Revolution in the past, Karnataka has embarked on planning a new technological revolution in agriculture since 2006. *The Hindu* (2006) reports that it has destroyed traditional farming and abolished structures of interdependence. In the era of new policies and global forces becoming players in domestic affairs, how social structures are impacted is discussed in the following sections. Fieldwork-findings indicate three types of big farmers in the state who with diverse class backgrounds are reaping the benefits of globalisation. The hardship of small, marginal and semi-medium in sustaining agriculture is also highlighted, evidence of their diversification is presented and how they are coping in the changing scenario is addressed.

The following table indicates a quantitative picture of land holdings are classified by sizes. Field-findings add a qualitative aspect to these categories to make sense of ground reality, in terms of both class formations and consolidations.
Table 6.2: Land holding pattern in last eight years

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Area</th>
<th>Number</th>
<th>Area</th>
<th>% variation (number)</th>
<th>% variation (area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marginal</td>
<td>3849</td>
<td>1851</td>
<td>3656</td>
<td>1651</td>
<td>5.28</td>
<td>12.08</td>
</tr>
<tr>
<td>small</td>
<td>2138</td>
<td>3020</td>
<td>2013</td>
<td>2876</td>
<td>6.21</td>
<td>5.01</td>
</tr>
<tr>
<td>Semi-</td>
<td>1267</td>
<td>3393</td>
<td>1278</td>
<td>3468</td>
<td>-0.89</td>
<td>-2.17</td>
</tr>
<tr>
<td>medium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>511</td>
<td>2904</td>
<td>554</td>
<td>3205</td>
<td>-7.83</td>
<td>-9.41</td>
</tr>
<tr>
<td>large</td>
<td>68</td>
<td>994</td>
<td>79</td>
<td>1184</td>
<td>-14.94</td>
<td>-16.06</td>
</tr>
<tr>
<td>total</td>
<td>7832</td>
<td>12161</td>
<td>7581</td>
<td>12385</td>
<td>3.32</td>
<td>-1.80</td>
</tr>
</tbody>
</table>

Source: Agristat 2010-11
Number in ‘000 (thousand) and area in ‘000 (thousand) hectare.

6.4.1 Big farmers
This is an important category, both socially and economically, in the countryside. Their average land holding size from among respondents is above 15 acres. The Table shows a fall in number of large holdings but it seems to be an estimate of traditional big farmers alone, and income depends on what is farmed and how it is farmed as much on the sheer size of a farm. The class also has many new avenues of income and so land may not be central to their accumulation. In Mandya, an activist gave a vivid description of commission agents\textsuperscript{160} and mandi owners (often big farmers) as important economic players, having risen to prominence over the last decade; with privatization, they moved in to occupy the space vacated by the state (Nagraj 2008). A common phenomenon is that big farmers have set up pesticide and fertilizer shops, a very lucrative business in this era of privatization and a cropping pattern that requires quite a lot of their use. In hilly tourist districts, converting old period houses into guest houses or home stay\textsuperscript{161} houses has also been a common form of income diversification. Big farmers and commission agents also operate as money-lenders. A common way for the big farmer/money lenders is to feed into the insecurity and lack of knowledge of small farmers, thereby pushing for greater sale of

\textsuperscript{160} They are people who work for commercial purpose between vendors and buyers.

\textsuperscript{161} Old period houses which are open to guests. The food is provided by the owner of the house and is often the cuisine of the region. It is meant to give an authentic, cultural experience of the region.
chemical inputs promising higher yield. This adds to the accumulation by input sale owners who belong to the class of big farmers. The incidence of debt among small farmers thus is bound to rise with the increase in cultivation costs (farmer, Bangalore April 2012 and scholar, Mysore June 2012, Rao and Suri 2006).

Big farmers are primarily into cash crop cultivation. In Mandya, there is a trend towards sericulture. In Tumkur district, pulses and flowers are grown. In these regions, such a cropping pattern is helped by the availability of good irrigation. In comparison, Bangalore (rural) district big farmers are more into horticulture and floriculture, given the constraints of holding size, access to a big market and technology option. Siddhesh¹⁶², from a Lingayat dominated village, painted a vivid picture of changes in the last decade. His grandfathers are two brothers, each with three sons. The two grandfathers individually owned 12 and 16 acres of land. Two of his uncles are still in agriculture, their land completely tilled by lower-caste labourers from an adjoining village. The other four uncles have diversified into other professions: government clerk, input merchant, fodder shop owner and milk van supplier. One of them also owns a shop selling shikakai¹⁶³ and ragi; this uncle has built a big house. Siddhesh cites the example of another farmer who started a petrol pump and subsequently built a house costing Rs.10 million. According to him, ‘those who have money can diversify’. Dairying has a strong presence in the village and Siddhesh’s grandfather was the chief supplier of jersey cows. Farmers from as far as Dharwad used to come to the village to purchase cows from him. It can be deduced that the big holding helped in the first diversification when the grandfather took up the cattle trade. The next generation has gained from the surplus and taken to input shops, milk supply business while one brother has become a government officer. Such diversification within big farmer family is commonplace (Ramchandran et al. 2010, Mehrotra 2012).

The demand of cucumber for export has shot up in Siddhesh’s taluk in Tumkur. An MNC provides the start-up funds to farmers. They also provide other inputs like pesticide and after harvest they buy the produce. It is a case of interlocking where the company is controlling the factor market and sale of produce. He pointed out that 15 years ago, intercropping was practiced to maintain soil fertility; the same land was used to grow green gram, then ragi and keep smaller

¹⁶² He was a key informer since he is a fellow student at a university where I was residing and was recommended by friends as a reliable source.

¹⁶³ A herbal seed used to wash hair in India.
plots for chillies, onion etc. It helped farmers retain their autonomy. But with the spread and domination of market imperatives, monocropping has taken over. Families are increasingly growing only arecanut and coconut. A majority of them sells to a government agency, located 12 km from the village.

Siddhesh further remarked that the two factors which make a difference in deciding success of a farmer are education and water. Pump irrigation has been in vogue since the last 25 years and six years ago the village also initiated canal irrigation. Abundance of water has made commercial cropping viable. The farmers have been approached by big companies to partake in contract farming for exportable crops (interview: Bangalore 2012). In his case, we saw the various avenues of diversification available to middle and big farmers in Tumkur but the autonomy of farmers is a casualty in face of contract farming which dictates what to grow and with what to grow it. Traditional crops and mechanisms are being replaced by new methods and crops (interview: scholar, Bangalore 2012, Deshpande and Indira 2010).

6.4.2 Landlords
A form of absentee landlordism was noted in Chikmaglur, Coorg, Shimoga and Thirthalli taluka. Their farms were under managers who run the estates and owners who come to visit once in six months. These were primarily large plantation estates. For example, the holding size of landlords in Chikmaglur and Coorg was 50 acres or more. The large landholdings are due to the fact that plantation crops were kept out of purview of land ceiling laws and as such, escaped any kind of land redistribution. Similar cases of landlords having moved to urban jobs in industry or service sector were found in Shimoga and Hassan districts extracting rent from agriculture. Their land was given out on lease (interviews: Shimoga 2012 and Coorg 2012). Their interviews indicated that they are distanced from the real issues of agriculture like irrigation and the rising cost of cultivation. They operate as a rentier class for whom agriculture is no longer the main source of income. The rent they get is not invested into productive agriculture but in other sectors. It distinguishes the class from big capitalist farmers who have invested profit from agriculture to use better technology to increase profitability. The landlords have diversified into business or professional practice as doctors, engineers, bureaucrats etc. over the last two generations. The managers who run the farms, often a local person or a labourer is a salaried

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164 In 2010-11, the state was the third largest producer of coconut contributing 13.8 per cent after Tamil Nadu and Andhra Pradesh (database 2011).
employee and does not have the same stake in agriculture as an owner. Hence the kind of attention he pays is minimal.

The respondent from Shimoga is an erstwhile landlord. Before land reforms, his family was that of a zamindar household owning 250 acres of land. During the 1970s, they lost 150 acres of land owing to land ceiling to tenants and the remaining land was distributed among four brothers. Henceforth, his landholding size has been 25 acres (areca, coconut and pepper) and 5 acres of land devoted to paddy. At present, he is a big capitalist farmer and has moved to cash crops, employing 40 wage labourers. He does not live off rent and invests surplus in better inputs into agriculture. In paddy, the system is of share-cropping with 60:40 share, where the landless cultivator gets 40 per cent of the produce. The other three brothers are urban professionals, placed in high government positions. Their farms are run by managers and they earn rent from their land signifying that they are landlords. The respondent sounded disappointed that his son, unlike all his cousins did not decide to settle in the city, nor to pursue higher education. He mentioned one by one all his nephews and nieces who became professionals - doctor, IT engineer and some of them even went abroad with great pride. He emphasized how opportunities in Shimoga is very limited and there is not much one could achieve. In his words ‘farmer does not aspire his son to be a farmer’.

Many instances of landlords and big farmers’ sons pursuing higher education and joining the IT or senior level bureaucracy jobs were observed in Coorg, Shimoga, Mangalore, Dharwad and even Hassan. Across districts like Tumkur or Dakshin Kannada, where levels of urbanisation is high, big and middle farmers are seeking urban life, education for children and thus detaching themselves from agriculture as vocation. Both selling land off and retaining holding were observed though. Tumkur also recently has established itself as the new Silicon Valley and has seen similar levels of urban migration as the pre-dominantly plantation districts. This phenomenon is seen across districts. The organisation and articulation of farmer interests, as in the case these absentee landlords, get diluted as the next generation moves into professions like engineering, self-employment and medicine. An emerging trend is of employing managers at plantations to look after the cultivation while landlords live in cities (Bombay and Bangalore); managers do not have the same stakes in agriculture as owners which hinders formation and sustenance of any political struggle.
A finding is that the landlord class exerts a powerful influence in the realm of ideas, where large-scale mechanised farming is seen as the way forward, as Murthy voiced it. Members of this class have assumed government positions and become part of the old petty bourgeoisie, adhering to Khan’s (1996, 2000) definition. The same perspective of mechanised large scale farming as the way forward was voiced by bureaucrats and agricultural scientists in their interviews (interviews: Bangalore 2012). Even though landlords/big farmers do not have the organisational strength to influence policy decisions, their individual presence within the bureaucracy and agricultural university takes the notion forward into policy formulation. It creates a vocal support base for the government’s new policies.

6.4.3. Capitalist farmers or gentlemen farmers
Agrarian relations are undergoing manifold changes. Global forces are transforming existing class-relations, bringing new classes and new practices into the sector. Contract farming, employing huge machinery for irrigation, weeding to harvesting and thus replacing labour use are some such practices. The new players include capitalist farmers and gentleman farmers. As evident from table 6.2, agriculture has not proved to be as profitable an enterprise as in Gujarat which explains the fall in large holdings. The number of large holders falls by 14.94 percent and holding falls by 16.06 percent showing a high rate of diversion of agricultural land to non-agricultural purpose.

Capitalist farmers is a fraction who are particularly located in the southern districts, belong to upper and middle castes or have an inherited land status but whose class characteristics are derived from surplus accumulation through the application of technological innovations, which has been (re-)invested in agricultural and other sectors. They were found to be quick adopters of new crops like flowers, maize, cotton and vegetables. Gentleman farmers are those who invest surplus generated from other sectors in agriculture. Their holdings’ size vary, starting from 5 acres of land. They have made good use of the opening up of borders since liberalisation by investing in high value crops, oriented towards export market. Speculation is one thing that they understand and manoeuvre well, thus selling their produce when prices are high. In some instances they have bought land to start nurseries.

Traders of agricultural crops or local commission agents were reported to open nurseries by a local farmer-come-academic who has been working on agrarian relations over past two decades (interview: Raman, Bangalore 2012 and activist, Mandya 2012). They live in towns and act as a
line in the products of cities and villages. They control speculation by being the first to get information due to their relation with political leaders and district officials who determine agricultural support prices and procurement. It is the profit from speculating in crop sale that is being reinvested in floriculture and horticulture, by way of buying agricultural land, between 5 - 50 acres (interview: farmer, Bangalore 2012 and journalist, Bangalore August 2012). The land size is difficult to ascertain but the phenomenon of investing in profitable sub-sector of agriculture from trade surplus was mentioned by several respondents.

Over the past decade, several floriculture farms have come up along the state highway linking the cities of Bangalore, Mandya and Mysore. I was informed that the political class has made good use of opportunity. A Councillor in Bellary was reported to own mango fields. I also noted an instance of a senior police officer’s brother owning a nursery nearly 25 kms from Bangalore. It was a particularly lucrative location, situated within one kilometre of Taj, a seven star hotel in India. A respondent stated that owner of nurseries are politically well-connected like relatives and right-hand men of political leaders. They are privy to crucial information, for example, where highways will be developed. Their decisions of investment and speculation activities hugely profit from such information (interview: academic, Mysore June 2012 and activist, Mandya May 2012). Thus, for example, before the development works starts and market-value of the surrounding land rises, they buy the land at much cheaper rates. The legal provision (discussed in section 6.3) which allows non-agriculturalists to buy agricultural land has created a network of local people operating as land brokers or intermediaries who buy land from farmers and sell it to political leaders and capitalists at even higher rates, making huge profits. These lands are used to open hi-tech nurseries (more details in 6.10).

In Tumkur, floriculture has become a favoured choice for resource-rich farmers who see high returns from the crop. In addition to traditional farmers, some are new to the trade, like a university graduate who bought land 40 km from Tumkur city and started a nursery. To open a nursery is seen even in urban circles as a way of making a quick profit. High-tech floriculture is exclusionary in nature employing techniques like green houses which cost Rs 4,00,000-5,00,000 per acre. Karuturi Global is an enterprise that supplies flowers to the world-over, with firms in Ethiopia, India among others. Farms closer to Bangalore are benefitted by the proximity to highways. The hi-tech production of flowers like rose, carnation, orchid, anthurium, and bird of paradise caters to Bangalore, Mumbai and export markets, whereas small farmers produce
gerbera and gladioli which are sold within state (Gowda 2009). In Mandya, these new farmers were termed ‘corporate lords’ by a respondent to denote their access to land and technology in contrast to that of traditional big farmers who continue growing silk, sugarcane and areca nut. The government has specific websites for the educated gentleman farmers. They are aided through subsidies and availability of inputs and irrigation by the government. Machinery is imported from Holland, Israel, France and the USA for the gentleman farmers.

In recent years, a large number of corporate houses like ESSAR group, TATA group, Reliance (Jamnagar Farms), ITC and Bharti have also invested in the flower sector (Singh 2006). An instance of contract-farming of fruits in the northern districts with primarily big farmers was reported. In my classification, they are gentleman farmers who are bringing in surplus from other sectors into agriculture. They are buying land and also employing small and middle farmers on contracts to cater to their marts like Star Bazaar, Reliance Fresh etc.

Small farmers may diversify to flowers and produce gerbera, gladioli which are sold within state. This might add to their income but they are not part of the technological revolution (Gowda 2009); the scale and technology of the gentleman farmers’ operations cannot be matched with other farmers. Moreover, the government’s support is towards hi-tech farms and geared towards export market. This differentiation within the sector was highlighted by interviewees in Mandya, Tumkur and Bangalore.

To summarise, the presence of landlords is mainly in the northern and plantation districts of Karnataka, like in the northern districts of Chhattisgarh. Some of them just maintain rent relation to agriculture and others have invested in upgrading technology, thus transforming to big capitalist farmer class-position. Capitalist farmers diversifying to other sectors is similar to Gujarat but with one difference. In Gujarat, the diversification is more due to market forces whereas in Karnataka, patronage of state is essential for any diversification and hence accumulation. The gentleman farmers are most conspicuous in Karnataka, in Chhattisgarh it is almost absent and Gujarat, not as rampant.

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165 The small farmers have diversified to cultivation of flowers which might add to their income but they are not part of the technological revolution. This differentiation within the sector was agreed upon across interviews in Mandya, Tumkur and Bangalore.
To break out of low value cultivation, it is commonly acknowledged that small farmers end up with a high incidence of debt (interview: Kisan Sabha leader, Bangalore, April 2012, Assadi 1995). Escalating input costs due to chemical inputs (discussed in detail in the next sections) have pushed up the overall cultivation costs for traditional crops as well. This, in addition to the fact that returns from rice, paddy and millets are quite low, makes for objective conditions to make small-scale farming unsustainable. The cost of production is said to be more than the minimum support prices for paddy (interview: farmer, Mysore June 2012). This could not be independently validated but similar observation was made in Chhattisgarh, and is common in the literature, reflecting the sheer apathy of the state to these farmers (NCEUS 2008). Small farmers were found experimenting with sericulture and flowers on part of their holdings, where reliable water sources were available. The investment required for these crops is high, and thus, they are said to stagger the investment over a period of time. They borrow money from local mandi-owners or big farmers and in turn, sell the produce to them at lower-than-market rates (interview: technocrat, Bangalore 2012). Hence, the competitive global prices do not reach them. Moreover, cooperative societies tend to give loans for cash crop production and therefore are biased against small farmers who are primarily into food crop cultivation (discussed in detail in section 6.8).

Small farmers are also facing livelihood threat from external factors like industrialisation and urbanisation. As a respondent spoke of his experience, 'in Tumkur, I have observed small farmers giving up their land owing to the liability of cultivation and low prices of crops owing to presence of traders. Even I want to sell off my land' (interview: Siddhesh Bangalore, August 2012)

On other hand, big farmers and landlords have many more opportunities to diversify which has brought new means of production at their command.

6.4.4 Intensifying agrarian distress and growing farmer suicides
Farmer suicides have been ascribed to poor irrigation, lack of livelihood options and neo-liberal policies (Nagraj 2008). By the early 2000s, the phenomenon had spread to the relatively advanced agricultural regions as well, particularly Mandya, Hassan, Shimoga, Davanagere, Koppal and even Chickmagalur districts. It has been shown that this is related to fast adoption of cash crops, requiring high investment (Reddy and Mishra 2009). An exception is coastal Karnataka where people’s dependence on non-agricultural activities and wider linkages to other sectors (except for few pockets of areca nut), migrating to metropolitan cities like Bombay and
even the Middle East, has acted as a buffer against debt (interview: academic and local businessman, Mangalore July 2012)\textsuperscript{166}.

After 2000, figures of farmer suicides kept rising. Despite moderate to high agricultural growth in the decade (table 6.1), such high rates of suicide point at differentiated nature of agrarian society. For the period 2000-01 to 2005-06, the central government figure for the state is around 8,600 which is the highest compared to any other state. This was also the period of acute agrarian crisis. In 2003, the state experienced severe drought in over 13 districts. In 2003-04 alone, 708 farmers committed suicide, with Hassan district reporting the highest number. The year 2004-05 saw a fall in number of suicides with improvement in rainfall. But even with a declining overall trend, Hassan continued to report the highest number (37) followed by Belgaum (33) (Assadi 2011). These are also districts where cultivation of commercial crops like maize, cotton and tobacco is extensive, requiring high investment (Mishra and Reddy 2009). High suicide rates in these districts signify the close interconnections between market-oriented agriculture and suicides (Ibid, Suri and Rao 2006). The lure of higher yield brought in by new seed and chemical outputs holds a promise to break away from poverty which SMFs want. But advantage of market is mediated through structural inequalities, and seldom accrue to them due to interlocking and informal credit. It is the trader who can wait for market to pick up and thus benefit from higher prices. It is also indicative of a lack of proactive state governmental effort to create any safety valve for these classes.

The scenario that emerges is that five prime players, mentioned in various interviews—contractor, moneylender, agricultural-input-shop owner, commission agents and mandi-owners—often overlap with big farmers and even middle farmers, thus emerging as gainers in neo-liberal policies. Not only are they more capable of adopting high-value crops, they also have tapped new sources of income through privatization of inputs and irrigation. On the other hand those who cannot take the burden of rising cost of cultivation and being squeezed by the moneylenders.

It may be concluded that neo-liberal policies adopted by the Karnataka government has polarised the agrarian society: the propertied class have gained from market forces, ensured by state policy and many new sources of capital accumulation, thus owning capital which has

\textsuperscript{166} His observation was of an insider who has grown up in the district and been part of its transitions in past two decades.
consolidated it as new petty bourgeoisie. The other end of the spectrum is increasing number of suicides signifying the dire conditions faced by the SMFs.

6.5 Big farmers, their political clout and connections

Today, political clout appears mainly to be achieved through individual positions. The days of the KRRS farmers’ movement seems over, at least as a movement of farmers. Successful economic diversification and direct or indirect access to political power are commonly observed amongst big farmers. Few such instances were discussed in section 4.4. For example, in Dharwad, an erstwhile landlord today owned the biggest private dairy in northern Karnataka. He is also an MLA, having contested elections independently and once on a BJP ticket. Interestingly, it was only after the economic reforms in the early 1990s, that the dairy was started. Another big farmer shared information on land deals and upcoming property projects as he works as a contractor. He too has political connections. Another example is of a senior officer the state Agricultural University who revealed his antipathy towards the Congress since he suffered loss of landholdings under the erstwhile land reforms. A big farmer’s brother was a senior bureaucrat, another had a brother in the national party. Then, there are those who wield power owning to KRRS leadership. These landlords and big farmers enjoy a lot of power locally; small and middle farmers look up to them for guidance for negotiating prices, accessing cooperatives etc. a kind of patron-client relation was noted.

In a FGD, farmers were carrying green stoles, as a symbol of KRRS. But they confirmed that the movement had weakened in the district owing to the selfish and self-seeking nature of the leaders. The green stole has come to represent ‘being a farmer’, nothing more. They had no confidence on KRRS to save their case unlike farmers in Bellary who displayed faith in the movement. This is relevant as Nanjundaswamy, the famous leader of KRRS in the 1980s had won elections from this very district in the 1990s. Therefore the question what has changed so significantly in the last one decade.

After 1985, the KRRS leadership decided to contest the elections, which created a rift within the members. Respondents stated that since then, the leaders aligned themselves with the Congress and the BJP, despite being KRRS members, to earn state favours and get their followers some

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167 He is a landlord since his ownership of land is historical.

168 When I met the MLA, in his dairy there were more than 20 farmers who had assembled to seek his advice on various problems related to agriculture and land.
privileges. With this, the intellectuals, middle class and farmers got alienated from the organisation. Respondents pointed out that KRRS was broken from within. A political activist (Mysore June 2012) states that JDS ensured that the KRRS movement is weakened, for otherwise it would have been the greatest threat to national political parties. Few leaders were absorbed into the fold of national political parties and in the last one decade, each leader has aligned himself with a locally dominant political party to enjoy continued patronage of the state government (interview: journalist and academic, Bangalore 2012). In a reputed journalist’s words ‘I have seen this movement’s rise and fall in front of my own eyes. At one time they could mobilise lakhs of farmers but today due to factionalism and self-seeking nature of leaders, bringing together even 5,000 farmers is difficult. Each farmer is pursuing his own goal of accumulating for himself.’ He named leaders who have joined hands with lumpen elements to further this selfish interest (interview: journalist, Bangalore August 2012).

The political clout of another senior farmer leader can be gleaned from how others viewed him. This man lives in Bangalore city and owns a house, where his sons are getting educated. Back in his village he has big landholding. He invited me to a high-end hotel which serves political guests. The crowd was affluent and while waiting for him, I saw many young well-dressed men walk in, most of them with political connections, as the waiter narrated. When he arrived, he did so in a big white car with a green light glaring on top, like those of bureaucrats ‘red batti’ cars. Other district leaders from Bellary and Daongidhi pointed out that the BJP government treats him as an insider. District leaders informed that for any problem, ‘saab (boss)’ would sort it out. He even gets them appointments with the concerned MLA. The confidence among these district heads about their leader indicated that the government heard them when in need. Again the senior farmer leader was a patron here, distributing favours to the rest.

There have been arguments from Marxian scholars that KRRS is a rich peasant movement and is reactionary (Pattenden 2005, p 97). My interviews support the view that the movement and its protests and rallies are a part of the politics of the big farmer lobby to display its strength. In an interview, on enquiring why KRRS is particularly strong in Bellary and not other districts, a leader attributed it to the preponderance of farmers with holdings of over 20 acre and added ‘when there are big farmers, KRRS has to be strong’. This was by far, the most direct statement.

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169 Red light on cars is a privilege for VIPs in India which he copies by putting a similar green light. Green symbolises the colour of the KRRS movement.
showing whom the organisation belongs. But based on the interviews I carried out, I would argue that the KRRS is not reactionary per se, rather it is seeking to appropriate the advantages of neo-liberal policies. Inclusion of SMFs only adds numerical strength to the lobby.

A big farmer in Shimoga explained the absence of a farmer lobby in his district was due to the selfish dealings of members of Farmers’ Forum, an outfit of KRRS who want benefits but are reluctant to participate. In his words, ‘small agitations take place every week, and the deputy commissioner sends our petitions to the upper level. This is all that comes out of protests. On approaching the MLA, he promises to raise issues, but that is all. In 2012, the MLA was from Congress, who is from opposition, so it is harder for him to negotiate (interview: big farmer, Shimoga August 2012). It showed his comfort and contact with the political class at the district level. He also pointed out that the MLA was the owner of Mysore Paper Mills and had little interest in agriculture. The case points at an overlap between political class and capital, where ‘personal fusion’ comes to light, previously observed in Chhattisgarh. The relation between agrarian propertied class and the state has not been hampered by global forces coming in. In addition he has also been elected at different positions in the local government until recently, acted as the director of a local government college and commands a lot of respect in his taluk.

Mohammad made this amply clear that KRRS extends support to those farmers who come under their banner. In his words, ‘when our leader comes to the district, it shows “who we are”; if they want protection and advantages, they have to join KRRS’. The spirit and ideology of the movement in this case has been replaced by those in power offering patronage to the weaker sections. The show of political power is key to attracting members. Another show of his social status was when he mentioned building a darga (mosque) which will cost Rs 1.5 million in his village. It is to signify his newly-achieved affluence, and at the same time, appeal to people of his faith (interview: Bellary August 2012).

The above instances make a case of how big farmer fractions’ relation to state continues unabated, and concentration of economic and political power.

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170 The day we reached there, it was the day of Nagpanchami. It is an important festival for farmers as they ask for forgiveness from the snake god for having killed snakes in their fields. His son informed that he has been performing the ritual for many years for their village, despite being a Kshatriya. This indicates in social order, the family is regarded very highly.
6.6. How the Political Party links itself to the masses
Democracy entails elections and gaining popular mandate, hence political party’s agenda has to win legitimacy from the rural population who are the majority of voters. It can be an ideological appeal, a populist agenda, or accessing the masses through few key loyalists or a combination of these. How it operates in Karnataka, and what effect it has for existing classes is examined in the following section.

6.6.1 Petty bourgeoisie – Old and new and their political influence
The class and its fraction have been theorised in chapter 1 and subsequently empirically substantiated in chapters 4 and 5. Poulantzas’ (1973) old petty bourgeoisie accumulates capital through state resources while the ‘new’ accumulate through market forces, by serving the interest of capital. They can be in the garb of intermediaries in land deals, moneylenders or input-shop owners with linkage to big farmer and landlord class.

In towns, the commission agents and mandi-owners are said to be important linchpins of the ruling political party at the state-level (interview: farmer, Bangalore 2012 and reporter, Bangalore 2012). They have accumulated significantly over past one decade with privatization. Opening pesticide and fertilizer shops have been a prime source of surplus. Commission agents and big farmers act as moneylenders who have benefited all the more from commercial crop cultivation. Interlocking of factor, credit and product markets is very high in agriculture, as triangulated across interviews. This makes SMFs dependent on commission agents which can be exploited for political purposes.

Another opportunity in neo-liberal era is land contracting. In Dharwad, the son of a big farmer has become a contractor since the city is undergoing rapid urbanisation due to close proximity of an airport in its twin city, Hubli. This is also on the national highway connecting Bangalore and Mumbai. He introduced me to the MLA whom he referred to as a friend. This MLA is the son of another big farmer. Through him, I got introduced to a senior officer at the Agricultural University who is an erstwhile jagirdar’s171 son. Evidence on diversification of big farmers into different urban professions, politics, contracting, transport business, and agri-trade, has already been presented. The nexus between capital and political class is also evident. It has thinned the antagonism between rural and urban propertied classes, thereby weakening farmer unity. They

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171 Jagirdari is a feudal system of land-ownership practiced in British India in Deccan regions. The person owning the land was called the Jagirdar who was responsible for paying revenue to the British government.
do not identify with those farmers’ concerns who are facing debt from informal sources, irrigation and expensive inputs. Their changing class character into petty bourgeoisie, old or new\textsuperscript{172} has meant a simultaneous shift in focus to urbanisation and capital accumulation from multiple sources introduced by the market. This is because these classes have been among the beneficiaries of globalisation and industrialisation, alongside capital. They are also the gainers in land transactions by real estate companies, where they are often the contact point of the industrial class. All classes straddle multiple geographical spaces at any given point of time (for details, see section 6.10). Each of these individuals was aligned with political parties and wielded political influence.

The story in Bellary district was quite similar. The interviewed farmers are attached to KRRS. One farmer owns 40 acre land and employs 80 labourers. His land is irrigated by Tungabhadra river canals and grows two crops of paddy and sugarcane. Mohammad, the leader, in front of four other farmers, declared having made Rs 5 million from mining, working as coal transporter and expressed happiness with the new opportunities that coal mining has brought in the district. He did mention issues like water having high content of chloride, referred to increasing incidents of asthma, cancer, kidney problem, that bore wells have to be dug deeper for water since the table is going down, and pointed to high siltation; but the most important achievement was the quick and high income he and other farmers made. Another one has started a transport business to moving coal from one place to another. He added, ‘some farmers in Hospet have also started iron-ore business in past one decade’ (interview: Mohammad, Hospet 2012). Consequently, the perception of land has changed. It is no longer associated with agriculture alone. In view of the emerging new profitable opportunities, consolidating an opposition to capital is impossible. In fact, they have gained by associating with capital and working in its interest, thereby assuming the class-position of petty bourgeoisie and rarely, merchant capital which has increased their economic surplus and enhanced their social status. The respondents were aware that land prices have shot up with mining and spread of the Hospet city. They are waiting for their agricultural land to come within city limits and then they can get good prices. This is distancing them from rural masses and linking them to the powerful coal mafias, the capital.

Mohammad’s economic and social power was also displayed in the way he negotiated with the family of his son’s bride to be. He told them that they have to organise for the wedding in

\textsuperscript{172} \textit{Intelligentsia} is regarded as old petty bourgeoisie in Poulantzas’ classification.
Bellary city because if it were to be in the village, then barati (groom’s family and friends) would not attend it. He added that if they want to wed their daughter into his family, then this has to be done. The pride of money earned from mining and the stamp of being a KRRS leader made him doubly dominant. Added to this, his brother is now in Congress. The political connections seem to be concentrated within this one family. A big farmer family is used by different political parties to reach a wider vote bank of small farmers. Manoj, on the other hand, is a contractor and this part of the real-estate sector. He is involved in land transactions, and offered me to see some prime properties which were available and is acting as an intermediary in buying land for big business. He also is much better informed than other farmers about the current price of land, especially where prices are expected to rise. He, too, maintains political relations. Both these individuals displayed command on the other people of their village, which explains why political parties would be keen to safeguard their interest.

It was observed that ‘in our understanding of politics, politicians should bring merchants to heel, but would not because of the two groups’ mutual support’ (Pattenden 2005, p.292). This perspective was agreed to by various other respondents who repeatedly pointed at the merchant capitalists maintaining close link to local state. In the past two decades, new opportunities unleashed by liberalisation, have led to the creation of a new petty bourgeoisie in rural Karnataka. The class in question protects its economic interest by maintaining political connections. The political class has also gained similarly thus narrowing the interest difference between the adjudicator and beneficiary. Similar conclusions were drawn in Chhattisgarh.

6.6.2 Ideological weapons of the BJP
In India, ideology has been a plank to absorb a huge number of supporters, such that even if the lure of market fails, ideology triumphs over them. Yuvaka Mandal and Mahila Samaj173 are spread across Dakshin Kannada district popularising the agenda of RSS. The role of activity recurs in all the three states. As a respondent told, ‘these outfits are regarded as good employers by the younger generation in the district who join it for secure employment.’ This is despite the district being open to economic transactions with other states and countries, given the location of a port. Two interviewees also reported that secular newspapers have been swept out of the district, thus allowing right-wing thoughts to capture the ideological spectrum. OBCs had gained political and economic power in the 1980s, but ‘they are gone now’. They have shifted their loyalties from the Congress to the BJP. The present generation identifies either with the ABVP, Bajrang Dal or

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173 Yuvak Mandal is the youth wing of RSS and Mahila Samaj is the women’s wing of RSS.
the Hindu Yuva Sena\textsuperscript{174}, and thus there is no room for any other discourse (2 interviews: activist, and academic, Mangalore July 2012). As I assessed the responses, it seemed likely that employment security was making many youngsters align with the organisations. The rise of petty bourgeoisie in the district, with the fall on dependence on agrarian income, is also a cause of shift to the BJP which seems to hold the greatest promise for their economic rise. The civil society space has experienced saffronisation in past decade with organisations like Karnataka Rakshana Vedike and Art of Living sect capturing people’s imagination (Vasavi 2007).

The close association between the state and rightist organisations can also be inferred from the way the government has been silent on cases filed against Bajrang Dal for its violent activities in 2008\textsuperscript{175}. The newspaper Karavali Ale was targeted by Bajrang Dal and other right-wing groups for reporting their attacks on churches. Several cases filed against the members of the Bajrang Dal, Vishwa Hindu Parishad, BJP and Sri Ram Sena with regard to their illegal activities around the Baba Budangiri shrine in Chikmagalur were withdrawn in the last week of December 2008 (Narasappa and Vasavi 2010). Their presence is regionally concentrated in south.

6.7 Another Hierarchy: Elite crops vs. mass crops
A notable difference has emerged between growers of two kinds of crops: those which are grown by big and capitalist farmers are termed as elite crops and those grown by small and semi-medium farmers are mass crops. Commonly, the first category includes commercial crops like oilseeds, cotton, maize, and silk and in the present decade, vegetables, fruits and flowers; the second category includes food grains, millets, pulses etc. The classification is significant as it is linked to which crops gain state support, as much as which crops have export demand in the present era. The state is attentive to elite crops like flowers and vegetables as they are growth drivers. Nadkarni and Vedini (1996) show how more than 70 per cent of SMFs’ land is used in growing cereals and pulses, as well as food grains. Noting these classifications amongst farmers becomes crucial in identifying the real beneficiaries of policies which cater to commercial crop cultivation.

\textsuperscript{174} This is a Hindutva outfit.

\textsuperscript{175} I made several attempts to interview an RSS leader but it could not materialise, since he could not make time.
It was seen in the literature review that the state government has exhibited preferential treatment to cultivators of some crops against others. For instance, it made serious effort to rescue coffee and tobacco cultivators at the time of crisis rather than dry region farmers of northern districts (Assadi 1995). This was apparent in the establishment of coffee board to buy their produce, exemption of their land from ceiling legislation and also from its efforts to seek concession from the central government to overcome the crisis in the ‘90s. The respondents made it apparent that they were well-organised and have had old ties with political parties and even the central government. It was ascribed to the lobbying power of the plantation owners\textsuperscript{176} (interview: Ravi, Coorg May 2012 and technocrat, Bangalore 2012). Their connection to other big cities like Bangalore, Mumbai and even countries abroad has given them greater capital and visibility.

The coffee farmers expressed remorse that price fluctuation was making it harder for them in the present era. The respondents mentioned facing steep competition from corporate coming into plantations (interview: Ravi and Siddharth, Coorg April 2012). Plantation crops have seen infiltration of gentleman farmers (both professionals and big corporate) and are directly affected by liberalisation.

A senior technocrat was concerned about small farmers whose holdings are being rendered uneconomical in last decade. In such a situation, taking policy measures like mechanisation and promoting HYV seeds which cater to large farms will hurt their interests (Bangalore 2012). Similar point has been raised showing that new policies are benefitting a small section of agrarian society (Deshpande and Prachitha 2006). For a comprehensive understanding of cropping pattern, the table 6.3 has been presented.

\textbf{Table 6.3}

\textit{Karnataka cropping pattern-a comparison between 2001-02 and 2010-11}

\begin{tabular}{|c|c|c|c|c|c|c|}
\hline
\textbf{No. Crop} & \textbf{area} & \textbf{production} & \textbf{Yield} & \textbf{irrigation} & \textbf{production} & \textbf{production} & \textbf{yield} \\
\hline
\hline
\textsuperscript{176}Plantation land in Kerala was given the same exemption.

250
<table>
<thead>
<tr>
<th></th>
<th>Crop</th>
<th>2001-02 000 tonnes</th>
<th>(2009-10) area (%)</th>
<th>area (million ha)</th>
<th>(million tonnes)</th>
<th>(kg/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gram</td>
<td>0.48 0.28</td>
<td>587 13.5</td>
<td>0.96</td>
<td>0.63</td>
<td>656</td>
</tr>
<tr>
<td>2</td>
<td>Tur</td>
<td>0.48 1.47</td>
<td>306 4.6</td>
<td>0.89</td>
<td>0.53</td>
<td>596</td>
</tr>
<tr>
<td>3</td>
<td>Masoor</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Groundnuts</td>
<td>0.85 0.58</td>
<td>685 29.2</td>
<td>0.85</td>
<td>0.74</td>
<td>871</td>
</tr>
<tr>
<td>5</td>
<td>Vegetables</td>
<td>0.36 0.42</td>
<td>7.9 -</td>
<td>0.47</td>
<td>0.91</td>
<td>16.5</td>
</tr>
<tr>
<td>6</td>
<td>Sugarcane</td>
<td>0.41 33</td>
<td>81122 100</td>
<td>0.42</td>
<td>39.66</td>
<td>94429</td>
</tr>
<tr>
<td>7</td>
<td>Oilseeds</td>
<td>1.91 1.02</td>
<td>587 28.2</td>
<td>1.62</td>
<td>1.27</td>
<td>784</td>
</tr>
<tr>
<td>8</td>
<td>Paddy</td>
<td>1.48 38</td>
<td>2281 -</td>
<td>1.54</td>
<td>42</td>
<td>2719</td>
</tr>
<tr>
<td>9</td>
<td>Wheat</td>
<td>2.60 1.99</td>
<td>763 -</td>
<td>2.55</td>
<td>2.79</td>
<td>1094</td>
</tr>
<tr>
<td>10</td>
<td>Flowers</td>
<td>-</td>
<td>27.0</td>
<td>203.9</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

|   |              |                      |                   |                  | (thousand MT)    |
| 12| Soybean     | 48.4 40.2            | 831 -             | 0.17             | 0.15             | 882     |
| 16| Ragi        | 0.95 1.539           | 1614 -            | 0.79             | 1.588            | 2015    |
| 17| Onion       | -                   | -                 | 0.19             | 2.59             | 13607   |
| 18| Potato      | -                   | -                 | 40               | 0.40             | 10010   |
|19 | Tobacco     | 19.7                 | 0.13              | 0.13             | 1.3              | 1072    |
|20 | Sunflower   | 0.58 0.262           | 449 22.2          | 0.41 (44%)       | 0.25             | 610     |
|21 | Cotton      | 0.61 0.61            | 171 17.5          | 0.55             | 1.20             | 371     |
|22 | Maize       | 0.58 1.5             | 250 -             | 1.3              | 4.4              | 345     |
|23 | Coconut     | -                   | -                 | 0.42             | 1.50             | 3573    |
|24 | Cashew nut  | -                   | -                 | 0.12             | .06              | 491     |
|25 | Fruits      | 0.26 4.03            | 15.7 -            | 0.38             | 6.27             | -       |

Source: India Horticulture Database 2011, Agriculture Statistics, Directorate of Economics and Statistics

Commercial crops occupying more acreage continued through the 1990s, particularly in favour of cotton and maize. Growth rates of cotton have also been on a steady rise in three out of seven major producing districts (Kammar 2010). In 2007, cotton seemed to gain prominence with the state government drafting a new textile policy. Anand, joint director at the state’s Department of
Handlooms and Textiles, gave an interview stating that rising growth rates is a cause for pinning hope on the sector (Nandy 2008). The linking with agro-processing holds promise but only to those who will sell to factories directly.

Sugarcane, the chief irrigated crop, is in common parlance regarded as an elite crop, confined as it is to areas with abundant irrigation and grown by better off farmers. The area under sugarcane has seen a steep increase over the past three decades from around 0.1 million hectares to nearly 0.4 million hectares. Sugarcane growers have been receiving assured administered prices, a privilege which growers of cereals and millets do not receive. Even groundnut and cotton have not managed to ensure such protection which explains their non-stabilising acreage. But they also remain immune from marketing problems, given strong linkages to agro-business.

Sugarcane growers form strong lobbies in districts of Mysore, Mandya and Hassan districts. As a farmer informed, they talk to the district collector when prices are low to raise the same and their leader also talks to the ministers (interviews: farmer, Shimoga 2012 and farmer, Bellary 2012). These respondents spoke in a FGD, where presence of others prevents providing wrong information. Maize has also been directed to agro-processing units in bulks, rather than sold in markets. State support towards maize has been constant given its high export demand. That explains how the area under maize in the state has registered an increase from 64,000 hectares in 1970-71 to nearly to 1.3 million hectares in 2010-11 (table 6.3).

In Mangalore, an academic explained that the areca nut farmers came together with the aspiration of fighting for higher prices, but they were also looking for opening a chocolate factory. This ambition was realized with the opening of CAMPCO (The Central Arecanut and Cocoa Marketing and Processing Co-operative Limited) which continues to run well. The organisation which mobilised these farmers is Bharatiya Kisan Sangh, an RSS outfit. Due to its already organised status, areca has also enjoyed support of eminent political leaders who have cut

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177 He comes from a family who have been closely associated with formation of the cooperative.

178 The CAMPCO has now become multi state co-operative under relevant Indian laws. The organisation is mainly into procurement, marketing, selling and processing of arecanut and cocoa.
across ideological lines to protect their interest (Kammardi 2012). The other district where it is concentrated is Malnad. There, the growers are closer to KRRS.

Political leaders from the Congress and JDU have from time to time highlighted farmers’ issues and joined rallies; this is because of the strength of the lobby, so in these districts ignoring them could be fatal. The collective bargaining power of the lobby has decreased as sugar mill owners get more concessions and gain an upper hand, but the government has tried to keep the big farmers happy by securing their economic income and maintaining patron-client relations with them. These findings were triangulated.

The mass crops face severe interference of traders and depressed prices resulting in fall in acreage. It includes cereals and pulses. Coconut, for instance despite being grown in the same region, Dakshin Kannada and Tumkur have not had similar negotiation power as arecanut. Karnataka alone produced 46.9 per cent of areca nut grown in the country in 2010-11 (Indian Horticulture Database, 2011). An interviewee argues that this can be ascribed to all classes of farmers growing coconut while areca is attributed to big and middle farmers alone who have invested in forming cooperatives, similar to cotton (interview: academic, Mangalore July 2012 and farmer, Mangalore July 2012). The same is the state of millets, turmeric, and pulses which go unmentioned in politicians’ speeches and farmer protests.

The privileged status of some crops and their protection by state government is but obvious but the fact that state is increasingly focusing on high investment and high-value crops which can be borne comfortably by big and capitalist farmers suggest a kind of political economy behind it.

6.8 New inputs polarise agrarian classes
This section outlines credit, seeds, fertilizers and pesticides which have been privatized since mid 1990s. It has been seen already that it is creating a spiral of rising cost, unbearable for the majority of farmers. A more nuanced understanding on the issues is offered in the following sections.

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179 For more details, see T.N.P. Kammardi, 2012, *Areca nut economy at the cross roads*, Department of Agricultural Economics, Government of India.

180 This is linked to the special treatment meted to them by Sharad Pawar, the UPA agricultural minister who hails from the lobby.
6.8.1 Credit situation
There has been a reversal in nationalised banks providing credit to farmers and a drastic fall in number of branches serving rural areas have been noticed. Since the 1990s, rural bank branches have been withdrawn for reasons identified in chapters 2, 4 and 5. All India Debt and Investment Survey (2002) upholds that credit to rural sector has been increasingly from private sources since the 1990s. Since then, the percentage of institutional credit fell from 78 per cent in 1991 to 67 per cent in 2002, and informal sources increased by 50 per cent over the decade. Within formal lending institutions, the general reasons for preference towards big farmers are collateral and correct paper work, and secure returns. The rest of the story is similar to the other states. Several interviews showed, uniformly, that farmers who availed of loans from the cooperative societies had landholding above 10 acres. ‘The nationalised banks will give loan to big farmer, growing sugarcane’ (interview: activist, Mandya May 2012). The sugarcane growers often supply to factories in bulk, so the factories act as a safety net to pay back the bank so recovery is easier (interview: farmers, Mysore June 2012 and Bellary July 2012). While banks are protecting their assets, the state was found protecting its interest of its ally. As droughts had affected over hundred thousand farmers in 2012, farmers have been incurring debts with little hope of repayment. The response of the BJP was to waiver farmers’ loan amounts for which Yeddyurappa demanded 10,000 million from Shetty, the new Chief Minister (The Hindu 2012). It will cover only borrowers from formal sources.

In line with the above, a big farmer informed us that they take loans from cooperative societies and the amount is ascertained by the size of holding. ‘I can take loans up to Rs 100 thousand for my land size’, he said. The institution charges interest rate at one per cent, which is a privilege of a few who can repay on regular basis, a function of cash crops and diversified incomes. Most SMFs fail to repay the loans and then they are disqualified to take any further loans from the cooperative society thus going to informal sources (interview: Shimoga August 2012, Assadi 2010). In Bellary, a farmer stated, ‘government gives loans but you need connections’ to get loans (interview: 2012). So panch, sarpanch and zilla panchayat members are often the first to get loans. According to The Hindu (2011), ‘followers of the president of the society and those of the leaders of the dominant political party in that village corner the loans, and poor farmers are left in the lurch.’ State patronage is essential even for credit access.

A new angle to the problem surfaced when a respondent stated that in cases where the big farmers and landlords live in cities, and have nothing to do with the production process, it is
hard to get loans from formal sources. The tenants who are responsible for acquiring the credit for inputs and hiring pumps etc. do not have _pattas_ in their names, and hence are not eligible to get loans from any formal institution (interview: farmer Shimoga 2012). A similar observation was made in Coorg which has the issue of absentee landlordism.

One scholar pointed out that the corporate are now present in seed, machinery and fertilizer sectors under different names. Contract farming and direct purchase of agricultural land is also begun in the state (interview: agriculturalist, Dharwad March 2012). In Coorg, two plantation owners informed that Tata has bought more than 1000 acre land and are running their own plantation. They cannot afford the machinery Tata can use which puts them at a disadvantage. Such unequal completion is making credit further inaccessible to real cultivators, vis-à-vis giant corporations, the capitalists.

Money-lenders, who like in other states, are of two kinds: those from the rural setting i.e., big or capitalist farmers and _those_ from urban entailing traders, _mandi_-owners and commission agents (interviews: technocrat, Bangalore 2012 and farmer, Bangalore June 2012). According to Assadi (1998), unlike earlier decades, money-lenders in the present scenario of globalisation are not interested in appropriating land when farmers fail to pay the rent. He conjectures that the reasons are uncertainty in the agrarian economy and requirement of investing physical presence or physical labour in agriculture, which the latter is not keen on signifying a landlord class behaviour, operating with a ‘pure extraction’ agenda (Ibid). What emerged from interviews is that the interlocking prevails in factor, credit and output markets. Traders buy the produce at pre-harvest rates. Therefore, the argument of market determined prices does not work for the SMFs; particularly in last decade where private inputs have put farmers in debt which has to be returned immediately after harvest (interview: farmer, Bangalore 2012, academic, Dharwad March 2012 and activist, Mandya 2012, Assyag 2005). Where money-lenders are commission agents or traders, they are of two types:

- _Pakka_: they are also traders and buy crops.
- _Kachha_: facilitate transactions and operate as middle-man in selling; they are not final buyers.

Rates in _mandis_ show high fluctuation on a day-to-day basis. Generally low prices are maintained, except for when external buyers come in and prices shoot up. In regulated market like APMC, there is a market committee comprising farmers, traders, the secretary of the _mandi_ board.
(employed by the board) and commission agents who have to pay to get the license to sell products. It has been previously concluded that interlocking persists between factor and credit markets. Commission agents' accumulation has seen a steep rise due to speculating in crops who are entering high value crops as gentleman farmers.

A respondent stated, ‘in Karnataka, 956 farmers committed suicide in 2010-2012. In Mandya district, in 2012, 11 silk farmers committed suicide because of a fall in the price of raw silk, resulting from exposure to international price volatility (interviews: activist, Mandya April 2012 and scholar, Mysore June 2012). A senior leader of Kisan Sabha fixed the figure of those who have died in the state in past two decades at 36000 (interview: Bangalore, April 2012). The validity of these figures was hard to ascertain but the continuing farmer suicides which has more severely affected farmers with little or no land and no capital, was evident. The next section elicits this relation between privatization of inputs and farmers’ distress more closely.

6.8.2 Harbinger of GM seed
It has already been acknowledged that Karnataka was a forerunner in inviting foreign MNCs into the seed sector. The state policy documents since the 1990s advocated adoption of GM seeds, a feature which remains unaltered in the 2006 document. While in Gujarat there is state support to indigenous BT seeds, Karnataka toed the line of World Bank that chemical inputs marketed by MNCs, and hence break the low agricultural growth. The state has withdrawn support in seeds, particularly for commercial and high value crops which has left the farmers vulnerable and forced them to depend on markets for both inputs and selling the crops (interview: agriculturalist, Dharwad March 2012).

The same emphasis on Agro-business/industry is seen repeatedly in the 2010 policy documents. A public assertion of this position was the state hosting the Asian-Pacific Seed Association meet in Bangalore in September 2000. Here, the state government officially granted concessions to international agricultural companies. At the time of this conference, Karnataka was producing 50 per cent of the seeds in India (Assayag 2005). Several respondents indicated that universities are keen to push for private technologies. For instance, in Dharwad, a middle farmer informed us that they were being pushed by policy to adopt BT cotton in absence of any alternative seed. He named some indigenous varieties like DH I and II, along with Varalaxmi and Jayalaxmi which were developed under Dr. B.H. Katarki more than a decade ago. Ever since, no innovation has occurred. Even if there are innovations, they remain in the lab and never reach the farmers, they

As put by a senior professor, privatization of seed in the state is ‘almost complete’ (Dharwad August 2012) unlike Chhattisgarh. The private companies have taken over the market and penetrated distant villages. There is a presence of indigenous companies, but foreign players dominate. This was confirmed by several respondents. For instance, Cargill Seed Company has been supported by the Karnataka government in the opening of the India Maize Development Association.

A growing nexus between the state, public universities and private companies was noted. Employment of their graduates in private agro-companies is an incentive for public university graduates and a reason for their pro-private companies’ posturing. The state has been reluctant to spend on agricultural research and has become increasingly dependent on private companies for any innovation. As a result, new graduates are inclined to join private companies where research is dictated by private interest. The use of such innovation is limited to few commercial crops and can be afforded by those who own capital.

6.8.3 Fertilizer and pesticide
Unlike seed, a part of fertilizer and pesticide supply is still controlled by government. But private retail shops dot the roads connecting towns and villages. They have penetrated into the rural markets. Dupont, like other MNCs, uses a big network of salesmen from rural context to tap into farmers’ demands. Respondents in Mangalore district reported a different trend, where urban businessmen are opening retail shops selling agricultural inputs. NSSO (2005) had found rising cost of chemical inputs causing farmers to incur higher debt, as root of the crisis.

Another aspect that came out repeatedly in interviews is how the best of graduates from the Agricultural Universities get hired by private seed and pesticide companies. In a Professor’s words, ‘we supply them with their workers’ (interview: Professor, Dharwad August 2012). Studies on the cost of cultivation conducted by the Agricultural University show rising cost of production across crops due to privatization of inputs. Cost of cultivation per acre of areca nut is Rs 2,60,000 to 3,65,000 in Karnataka. The cost includes seedling, fertilizer, pesticide, labour, land rent plus depreciation of permanent items like fencing, machinery, processing yards etc. (Kammardi 2012). Cost of cultivation of cotton has risen due to hybrid seeds and chemical
pesticides and fertilizers. Hi-tech floriculture incurs a cost of Rs 3,00,000-4,00,000 per acre. Sugarcane per acre costs Rs 83,000 as per 2010-11 data. What adds to the plight of the farmers is spurious seeds and pesticides leading to poor yields further cutting down profit (interviews: farmer, Bangalore 2012, farmer, Mangalore July 2012, Rao and Gopalappa 2004, NCEUS 2008). Such an approach to agriculture can achieve growth but keep it limited to proprietary classes.

Input shops, owned by both traders and big farmers lend informal credit as a respondent told (interview: farmer, Mandya June 2012 and farmer, Bangalore June 2012). The phenomena has been mentioned previously ‘chemical input trader’ combines usury with advice, which farmers seek regarding chemical inputs (Assayag and Fuller 2005). It ties the farmers from multiple directions. A respondent stated, ‘The pesticide merchants drink our blood’ (ibid, 80). To pay back debts, farmers are selling their kidneys to save their family from debts of Rs 50,000 or above (interview: a small farmer, Mysore June 2012, Shiva Kumar 2013). The deceased is from the village of the respondent.

Fertilizer is also of interest to industrial capital. Influential figures like Vijay Mallya (Chairman, Mangalore chemicals and Fertilizers Ltd) negotiate for fertilizer lobby. It is impossible to contend their power and allot the subsidy directly to farmers, despite repeated proposal to do so. In this case, a larger portion of the subsidy actually accrues to the industry, rest to big and capitalist farmers (interview: technocrat, Bangalore 2012, Birner Sharma and Gupta 2011). Subsidised fertilizers by cooperative societies are cornered by the propertied classes, triangulated in interviews. Policy has induced an increased burden of cultivation cost caused by higher dependence on chemical inputs and lumpy technology.

6.8.4 Water, a privilege not a right
Until the 1980s, canal irrigation was rising but this has stagnated at 39 per cent since 1994. Tank irrigation has reduced drastically while well irrigation (tube and bore) doubled in the 1990s, now covering 37 per cent of the irrigated area (Deshpande and Prachitha 2006). All along public investment has been going to irrigated regions as part of the state revenue (Deshpande and Indira 2010). What that means is huge regional difference amongst the districts in terms of Gross Irrigated Area (GIA). The district-wise percentage of GIA to gross cropped area data up to 2001-02 shows seven (Bellary, Davangere, Shimoga, Belgaum, Dakshin Kannada, Mandya,
Bagalkote) out of 27 districts are above 40 per cent and 12 districts are below 20 per cent (Ibid).

Irrigation is a crucial factor since more than 70 per cent of the state is arid and semi-arid and during 2000s has faced three droughts. Irrigation covers 26 per cent of cultivated area, below all India average. The state has made irregular and non-constructive effort on this matter. South Karnataka has pockets of canal irrigation, like in Mysore and Mandya districts. But the northern districts are dependent upon pump sets, private irrigation techniques and the government has reduced investment in infrastructure on irrigation.

In Dharwad, the big farmers informed how they sabotaged canal irrigation from coming into their village. To avert land ceiling on irrigated land and consolidate their large holdings, they stopped the process (FGD, Dharwad March 2012). As a result, those who can access pumps or pay for bore wells, are the only ones who could adopt cash crops and numerous small farmers remain in water deficit situation and stick to traditional crops. It also elicits the connection between local state and these upper caste-class farmers.

Mandya, Mysore, Shimoga, Dakshin Kannada and Bellary districts have the presence of the farmers’ lobby and, as evidence shows, have maintained congenial relation with political leaders. These districts also have a high concentration of canal irrigation resources. It seems to be more than a mere coincidence that lack of political connections tantamount to lack of resource allocation. High productivity is thus regionally concentrated and the cost of production is lower in such regions since pump irrigation costs are absent. Hence, big farmers in such regions felt encouraged to invest in agricultural production (interview: farmer, Bellary July 2012). Concentration of resources on elite crops including credit and seeds can be concluded as protection to big farmers and capitalist farmers. The latter is also capable of bearing the cost of private irrigation machinery. A sign of their rise and investment can be deduced from the doubling of acreage under wells since the 1990s. Subsidising pumps and charging for electricity have benefitted those classes who can bear the remaining cost of both. The lumpy nature of the

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182 Permissible landholding of unirrigated nature is 54 acres.
technology (Lerche 1999, Deshpande et al. 2004) prevents the benefits of high yield from reaching those who cannot seek water, despite incurring the cost of other inputs.

6.9 Politics of land acquisition: Big and petty gainers
Karnataka, under chief minister Devraj Urs (1972-80) had seen land ceiling implementation and land redistribution affecting landlords. Since it has played a determining factor in the state politics, in terms of alignment with political parties. Those who lost land, nurture resentment against the Congress for implementing the land reforms (interview: landlord, Dharwad March 2012). From the early 1990s, the state has experienced a reversal of the land reform policy.

The state has been proactive in altering the land acquisition law to facilitate conversion of agricultural land to non-agricultural purposes which it implemented in 1995. Jenkins (1999) links it to the presence of a regional capitalist class who were supporting this policy shift. At the same time, the class was hoping for faster accumulation with the arrival of foreign capital, and reduced dependence on national capitalists. Since land acquisition has been continuing unabated. Nair (1996) spells out the principle amendments in the Karnataka Land Reforms (Amendment) Act. The act restores the leasing of land, in the districts of Uttara Kannada and Dakshina Kannada for the purposes of aquaculture at lease rents. The Act revises the ceiling on land for specified purposes such as industrial development, educational institutions, places of worship, housing projects, floriculture and horticulture: the most alarming part was all restrictions were exempted if state government deemed that the land was to be used ‘in public interest and for reasons to be recorded in writing’ giving politicians and officials right to mend legal provisions according to their will.

In addition, the Land Reforms Amendment Act (1995) made exceptions to land alienation under section 109, meaning certain lands were excluded from the purview of prescribed land ceilings. For the industrial development the Land Reforms Amendment Act has fixed 20 units (120 acres of dry land or 20 acres of irrigated land with two crops). The present amendment has enhanced the ceiling to 216 acres of dry land. These have assisted free flow of capital helping the industrial classes in accessing land in the remotest corner of state. She presents evidence that the agrarian rich have also diversified into real estate as a business opportunity. The rural rich migration to cities is leading to rising demand for land and associated rise in bribery, fraud, and middleman charges.
As evident from policy statements, the state is geared towards converting agriculture to a high-value, large scale sector. In an interview with Murthy (Shimoga 2012), he informed that in 2004-06, when areca nut prices crashed, many farmers committed suicide, while others sold land to pay for the debts but state did nothing to secure us prices. An experienced and learned man, Dayanand remarked:

‘For those who lost land, it was livelihood and those who bought, it was just recreation. Those who only earn from agriculture cannot dream of going to the city for medical treatment or children’s schooling. The price fluctuation makes it a high risk sector, and thus farmers prefer to sell land and become wage labourers, so that they can earn a regular salary. For those who live in Bangalore, and work in IT sector, Rs 1.5 million per acre is not difficult to pay, so they are buying land in our region’ (interview: Shimoga 2012).

In Dakshin Kannada, it surfaced that individuals who went to Mumbai and the Gulf in the 1980s are keen to invest their surplus in malls. They are also buying land in their native places, often their villages, but are not interested in agriculture (Interview: Professor, Mangalore July 2012). The respondent himself has bought land in his village, one generation after moving out. The land is being used to start shops, guest house etc. and the ongoing land market rate offered is very lucrative for farmers who have an annual income of Rs 20,000 (interview: farmer, Mangalore July 2012, Assyag and Fuller 2005). In Bangalore, 20 IT professionals, few from middle and big farmer background have invested as share-holder to develop a huge apartment in the northern part of the city. They have retained ownership of one floor each and the rest is being sold. The class seen benefitting here is the new petty bourgeoisie arising from highly paid professional jobs (interview: Surya 2012).

In Mangalore, the instance of a businessman from Delhi who bought plantation land came to light. Land is an investment for him. It will also give tax benefits as agricultural income is non-taxable in India. Belonging to the industrial class, the person does not intend to settle in the district or involve himself in agriculture. His land deal was entirely done through a local person, and he landed to sign the papers, but more than that he did not divulge (interview: Bhasin, Delhi August 2012). Such instances were also witnessed in Shimoga where there is rapid acquisition of agricultural land by urban industrial class and white-collar professionals are being mediated by rural middle farmers. These are instances of monopolisation of land. Similar cases were reported from Coorg district, where urbanisation and tourism have caused land-buying by same classes.
Though the local population has organised themselves to stop infiltration by ‘outsiders’, they stated many Reddys\(^{183}\) have been buying land here. This is one district where resistance to outsiders was seen, which can be probably be explained by their higher education, better income and pride in owning their plantations. Informally, official terms like notification and de-notification are used to procure huge tracts of land by big farmers, petty bourgeoisie and industrial class (interview: farmer, Bangalore May 2012).

As an activist explained, ‘the middleman comes and tells a farmer in the village that the government is about to notify the land of their village, which means that the government will take over the land at low prices.’ This works as a threat and farmers sell land before notification is implemented to make as much money as possible. Farmers owning less than 5 acres also often sell land in event of any personal emergency, while fluctuating crop prices have increased their vulnerability. It is often bought by intermediaries who start some small business or a nursery, and in many cases sell it to urban professionals or big industries later. Similar observation was made in Shimoga.

A recent trend observable across the state is monopolisation of land by capital and petty bourgeoisie, which is a reversal of land reforms. The state officials themselves are beneficiaries of such land deals due to the bribe involved, and has taken a wider political position of being capital-friendly, and thus is making all arrangements to make land available. It has been affirmed that one lobby which has arisen strongly in the past one decade is that of the real estate. Across the state, there are thousands of projects and there has been regular news on irregularities in land transfer to private builders (Hindustan Times 2012, Balasubramanian 2012\(^{184}\)). V. Balasubramanian finds the Bangalore Development Authority in 2012 held around 1000 acres of open space which according to records is 3000 acres. Hence the 2000 acres has been encroached upon by private companies. He ascribes the land grab to a nexus between public officials covered by politicians. Previously in 2007, another report by A T Ramaswamy joint legislative committee on land encroachments

\(^{183}\) Reddy is a landed caste from Andhra Pradesh which has diversified to other sectors.

\(^{184}\) V Balasubramanian was appointed the Chairman of Karnataka's Task Force for Recovery and Protection of Public Lands on land grabbing in the state. He wrote a report on land grab which was not brought into public realm.
show an approximate 150,000 acres of government land in Bangalore urban district, 24,000 acres valued at Rs.400.00 billion were under encroachment. Accumulation by political class is an added factor why the government is supportive to the classes who can buy land, and use it for any purpose.

I met a young boy in Dharwad, who informed that after completing Masters in Computer Application he has taken up a job of data entry manager in a factory (white-collar job) to send money home. This is the only way he can pay back the mahajan and save their land. They own 15 acres of land, and despite that the income is insufficient for the family. If this is the state of a farmer who owns 15 acres, we can well imagine those with less than 5 acres. The uncertain and insufficient income from agriculture, debt crisis, poor surface irrigation and rising cost of inputs is making self cultivation difficult for small farmers. In this situation, Assadi's (1995) prediction that new policy will facilitate transfer of land from agriculturist to non-agriculturist, paving corporate landlordism holds true. Interviews confirmed the state has experienced rise of 'gentleman farmers'. They are investing in floriculture, horticulture in green houses, nurseries and orchards. This new class is drawn from the capitalists, urban professionals and some capitalist farmers leading to formation of 'corporate landlordism' in the countryside. State has reformed law to facilitate public-limited companies to procure land for farm houses and nurseries, as elicited in section 6.3.

Across districts, the functioning of petty gainers in real estate has been validated. The big gainer is capital (domestic and foreign) but each such acquisition requires support of petty bourgeoisie who are from rural context, have good relations with farmers and are lured to generate surplus. They, therefore, are the petty gainers. Simultaneously urban professionals are also found to be accumulating in the process. This is creating a drift within the agrarian society since capital has partnered the classes, who apparently are big farmers or landlords but in neo-liberal era have assumed close ally position with capital. Thus Bardhan’s (1984) kind of opposing interests of classes between big farmer and industrial capital loses relevance.

6.10 Institution to create beneficiaries
This section deals with PRI and makes two arguments; first, propertied classes infiltrate institutions to perpetuate their class interest; secondly, access to positions in political institutions has led to economic gain and accumulation, impacting a change in class character. It is bringing few more in the circuit of capital and state patronage.

6.10.1 Decentralisation: A new way to foster political elite
An evaluation after two decades of their existence, Kudva (2003) inferred that panchayats are merely organs of the central and state government whose chief function is implementation of higher echelons’ policies, and not evoking demands from below to change structures, not even to influence institutional decisions. Reddy (1990) in the backward class commission report found the overarching presence of Lingayats and Vokaligas in political institutions, pointing at the big farmer and landlord class dominance. Most often big landowners have maintained their dominance on zilla parishad (Ray and Kumpatla 1987). A chief stronghold is the position of the President and 63 per cent of the past presidents belonged to the socially dominant class of big farmers. This is an indicator that, entrenched social inequalities exerted influence on new institutions until the 1990s. I would argue, the class exerting control over PRI has seen a transformation in the last two decades, bringing members from middle farmers and fewer from small farmers within the political class. That said, the erstwhile big farmers are still a part of the class.

Manor (2007) points out that PRIs are more effective channels between the villages and the upper echelons of the government than political parties are. Here, the distinction between local state and regional state is seriously challenged. Respondents argued that corruption and land contracting have brought new individuals into the privileged class in the post-liberal era (interview: farmer, Bangalore 2012). Those who have been elected in PRIs due to reservations thus get access to state resources (Palaniswamy and Krishnan 2012). The most effective way of accumulating state resources is through corruption. Increase in the number of political posts has increased the number of claimants to the commissions’ pie (Vijayalakshmi, 192-93). 65 per cent of the development funds are used for pay-offs and commissions. The fieldwork revealed similar stronghold of new entrants on the local self government institutions who are not from upper or dominant caste but access to political institution has enhanced their economic status. The institution has penetrated rural life garnering support for the regional state by distributing patronage.
Be it Mangalore or Shimoga, respondents replied that the capitalists (contractors) and political parties use money and muscle power to intervene into and influence panchayat elections. Though these elections are supposed to be non-political and formally not fought under party banners, they control the candidates and ensure their victory, like in any other elections (interview: political cadre, Mangalore July 2012). Murthy, a big farmer in Shimoga confirmed that panchayat elections are political and parties put money and push their candidates indirectly. After winning elections, people work as per the diktat of the political party who is voice of the capital. With little education, the poor farmer cannot decide on official things independently. Thus, he/she submits to the will of the capital who sponsored his election (interview: Shimoga August 2012). The nexus between capital and state once again becomes conspicuous. The elected representatives with their new found access to capital has brought about a change in their alignment. These elements are simultaneously perpetuating the interest of capital, by easing the process of land acquisition and fostering self-accumulation.

A political activist informed how reservation in panchayat elections had created a new trend over the past decade. People from lower caste, often with medium or semi-medium holdings are getting elected, who thus become part of the political class at local state level. They are poorly educated, so they sign papers which the secretary asks them to, and in lieu of which they get their share of the corruption money (interview: activist-farmer, Mandya May 2012 and academic, Bangalore August 2012). Another respondent added, that there are projects which exist only on paper, as the project money gets distributed among the stake-holders. He stated ‘at present, funds have increased, and so has bribe gathered by this class. Even in MGNREGS, there is a roll call done at the beginning of the day and then the officer leaves, so do the labourers. There is a serious lack of accountability, and as a result developmental work suffers’ (interview: Shimoga 2012). It was triangulated that in each project, right from the sarpanch to the MLA, get their cut (interview: scholar, Bangalore 2012, journalist, Bangalore 2012 and activist, Mandya 2012). A recent report concludes that elite capture has taken place in the scheme, many of whom are from non-upper castes neither landlord. These elites thrive on political connections and money (Pattenden 2005, Rajasekhar, Babu and Manjula 2011).

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186 A government officer.

187 The report is based on survey in five districts in Karnataka. To quote, ‘The misuse by the elites happened in several ways: inflating the number of workers on the muster rolls, inflating the number of person, days of work, making only partial payments to the workers, and getting villagers to sign for payments that they had not received. It
In the past two decades, members from middle farmers and even small farmers have assumed old petty bourgeois character. The state has been successful in creating ‘an elite’ as scholars call them, away from old upper castes through reservation, a patronage distribution scheme. It makes the hold of state stronger and makes structural inequalities deeper by bringing few more individuals within the fold of capital. They do not see agriculture as central to their sustenance and their new class sets them apart from their caste members, where they seek surplus in the form of rent and want to make use of the market to grow the surplus thus aligning closer to capital. This matches Jessop’s (1983) characterisation of an advanced capitalist state pursuing decentralisation to access the smallest areas of surplus production.

6.11 Conclusion
The state in Karnataka is weak and has not seen stable governments in the last decades. The high incidence of corruption and instances of accumulation through political positions or relations lead to a characterisation of the state as a clientelist state. Karnataka has seen prolific penetration of market forces in all sectors since the 1990s but the state has remained in thick of proceedings, and hence capital and state operate in a close nexus where state officials and political leaders are direct beneficiaries.

A dominant pattern has been commercialisation of agricultural household economies, into high-value crops. In the race for export-oriented crop-production which are input-intensive, big farmers capable of taking on heavy investment have survived the race, and those incapable of such investment have fallen far behind. A new class of capitalist farmers have emerged, from middle and big farmer ready to adopt high-end technology and high value crops and investing surplus in agriculture. They are using market opportunities to their advantage. The state has concentrated on these strata, by forming Agricultural and Processed Food Products Export Development Authority to facilitate their sales abroad or subsidising green house and such like technology. The gap between the big and small farmers has widened, minimising the commonality of issues between the two classes. This is similar to Gujarat, but with a difference. The state officials were found to play a direct role in ascertaining crop prices and procurement, unlike Gujarat.

was evident that the GP secretary and/ or GP members were involved in the misuse of funds apart from some influential people in the village.’ (p.79). For more details refer to the report.
The space occupied by KRRS has indeed shrunk, but that does not mean that country-side has
gone out of the ambit of state-patronage. Issues like MSP, irrigation, rural credit and subsidised
inputs have not lost significance, as field evidence shows. Through lobbying and individual
contact with political leaders and local state bureaucrats, big farmers continue to corner the
institutional credit, subsidy on machines and influence MSP of few crops.

When the state’s argument for a ‘paradigm shift’ in agricultural policy is seen from the outside, it
seems to be treating all rural classes alike, but a closer look at it tells a different story. The
benefits of such policy measures have been reaped unequally due to structural inequality, under
the garb of words like ‘cooperatives’ and ‘a serious note of the marginal and small farmers who
have lost out in the sector chasing growth’ (Policy Document 2006), the government chose to
focus its energy on commercial crops and mechanisation of agriculture. Mechanisation actually
stands to promote the interest of rural propertied classes who are important allies for the state.
In 2004, loss of NDA at the all-India level taught both national parties the need to gain back the
confidence of these classes, and it is with this intention that the 2006 and 2012 agricultural policy
was formulated and pursued. While developments like mining corruption and rapid growth in
Information Technology have been in the limelight, the state took a bold step by declaring
‘Karnataka Agri-Business Development Policy’ 2010 to bring opportunities to these farmers who
produce for export and metropolitan markets. The aim is to bolster the primary sector by
export-driven growth where investments would be channelled to building agro-business linkages.
With turn of globalisation, these proprietary classes are looking for mechanisation and
technology to make agriculture profitable. Policies highlighting technology and private inputs
without any agrarian structural changes, in liaison with relaxation of land ceiling is likely to
ensure accumulation in agriculture directly, but only in the hands of those who can invest.

The indirect benefit accruing to big farmers or landlords are in the form of diversification into
other sectors, as already argued. The landlords’ lingering connection to agriculture is rent, their
class position has altered to old petty bourgeoisie as they have become part of state bureaucracy
or professional class. Few landlords have transformed into big farmers by investing surplus in
agriculture. Big farmers continue to be important in state politics, given their access and control
to the huge pool of voters and their continued dominant status. But this is not observed
uniformly across the state, since the southern districts have seen a greater impact of
modernisation and old social hierarchies have weakened (Pattenden 2011). But irrespective of
this, the gainers of these policies are the private players like money-lenders, the agricultural input
shop owners, commission agents and mandi-owners. In many cases, they were found to have roots in big and capitalist farmers. Therefore, these avenues of diversification have indirectly helped in the accumulation of the rural proprietary class.

The state has entered the capitalist mode of agriculture but only in parts, unlike Gujarat. This need for continuous technical innovation has built bridges between universities, private companies like Monsanto, Cargill, Dupont and the intelligentsia (old petty-bourgeoisie) and bureaucracy. The state has increasingly created space for private companies to enter the input market, and now more than ever, with floriculture and horticulture taking off, since these are supplying equipments. Efficacy of technology requires large-scale cultivation. Hence, both foreign capital and big farmers stand to gain from such a policy decision, thereby narrowing the interest between different proprietary classes, viz, big farmers, professional class and industrial capital. It is exactly these reasons which have propelled the entrance of gentleman farmers in the profitable floriculture and horticulture sector, acquiring agricultural land and investing surplus from other sectors. As long as they drive the agricultural growth upwards, the state is happy to support them.

Literature substantiated by evidence point to the deprivation that the small farmers have been facing, as reflected in the continuity of farmer suicides. Consequently, objective conditions are ripe to give up self-cultivation. In the process, a continuous supply of land is being created, which is in interest of capital, petty-bourgeoisie and even state, each of whom have accumulated through land transactions. These intermediaries located in rural context either organise the transaction or buy land which they then sell to the political class or the capitalist.

In the last decades, the state has formed and consolidated new classes through its policies; the ‘new petty bourgeoisie’, who have gained in the process of privatization of agricultural inputs, credit and land transaction, is the closest ally to capital. An expansion of old petty bourgeoisie has been undertaken by expanding funds under schemes like MGNREGA. Consolidation of members from backward OBC into petty bourgeoisie who have dissociated from the caste members’ and aligned to capital is also noted. They play a crucial role in politically connecting the countryside to state capital. This is probably why petty bourgeoisie has been observed contesting district and sub-district level elections.
In my understanding, polarisation within classes in agrarian society, and gain of some individuals from lower caste indicate the intricate way in which capital and state functions, where it builds allies in the context which it wants to invade. The gain of a handful thus assuming petty bourgeoisie is oppressing the small farmers belonging to their own castes, seizing the small farmers’ resources to perpetuate capital’s agenda.

If I may use two terms to differentiate the role of different classes, the industrial class are drivers of the government policy, while big and capitalist farmers are the gainers of policies. The former, provides the money in contesting politics, have come to dictate terms and even assume political positions in some districts. The change in new millennium is that the interest of capital is the same as the rural propertied classes, when it comes to land. The former wants land and the latter has access to land. The latter also regards land as valuable not just as a factor of production in agriculture but also for its sale value. Politics is about maintaining the fine balance among the different classes, and as a consequence, the state has resumed guarding the ‘big farmer’ interest after 2004 taking them under the wing of state patronage.
Chapter 7:

Conclusion

The stated objective of the dissertation was to investigate state-class relations, with specific focus on three agrarian classes (big farmer, landlords and capitalist farmers). This was done in three states in order to enable us to compare the nature of the relations in each state. The study adopted a political economy approach in order to understand the relations between class and state. A specific policy area was investigated in detail, namely, agricultural policy and land policy as these policies are of utmost relevance for the concerned classes. The aim was both to understand the differentiated effects of class on political institutions and hence agricultural and land policy formulation, and the effects of these policies on the agrarian classes, i.e. which class/classes gained as a result of the policies. Drawing on Mitra (1977), we labelled this ‘backward’ and ‘forward’ linkages, respectively.

Agriculture is a state subject in India and is bound to vary from state to state, so next task was to choose the states. The dissertation borrows its form from Kohli and draws a three-state comparison — Chhattisgarh, Gujarat and Karnataka. The choice of states was made based on one similarity and one crucial difference. All three states have been mainly under BJP rule since 2000, with fewer years under Congress. But economically, they are quite different. Chhattisgarh is primarily dependent on agriculture, Gujarat on manufacturing, and services drive the Karnataka economy.

In chapter 1, theoretical insights from three key thinkers, Poulantzas, Jessop and Khan were discussed. Class according to Poulantzas is as much a political category as economic. For a class to thrive, it needs both political and economic power. This conception led me to investigate whether class interest is able to influence state functioning in India? For instance, if big farmers’ have no political power then they cannot be considered a class; further, it can be inferred that agricultural policy is a result of other forces both domestic and global. Jessop (1983) identifies personal fusion between capitalists and political class, decentralisation and immiserisation of proletariat as features of capitalism. In order to make these approaches relevant to the Indian reality I drew on Khan (2004, 2005) who points out that each country has an ‘operational settlement’ among dominant groups whom he terms as elite which underlines political stability and economic growth. I borrowed the concept of political settlement but the components are
not elites but rather the classes, defined already. In the event that a ‘functional coalition’ in each state was identified, and their inter-relations analysed, it could answer the critical question of ‘the nature of state’. The objective of the conclusion is to relate the field findings to the conceptual categories proposed by the three scholars.

I travelled across 24 districts to meet farmers, political leaders, journalists, academics and activists. These districts had been identified from literature survey and from interviews with respondents as having substantive presence of farmer lobby or big farmers’ influential in state politics. Most of my respondents were big farmers, fewer landlords.

Literature review brought out some trends which my field work is in agreement with. First those aspects are highlighted. Displacement and selling of land and small farmers finding self-cultivation increasingly unsustainable has been part of literature on agrarian crisis (Nagraj 2008, Mishra and Reddy 2009). The rising burden since mid ‘90s of informal credit on farmers has adversely affected self cultivation (NCEUS 2005, 2008). About 50 per cent of big farmers and capitalist farmers’ income comes from non-agricultural sources (NCEUS 2003). In line with the findings of Harriss-White (2004, 2008) our fieldwork also showed that the big and capitalist farmers are thriving on sale of chemical inputs, moneylending, land transactions and procurement. In Chhattisgarh, many of the non-agricultural sources revolved around mining projects. In Gujarat and Karnataka, these were connected with industrial projects and real estate, and in some parts like Bellary with mining. Evidence suggested weakening of farmers’ movement in all states which now has become the mouthpiece of big farmers as previously argued by Pattenden (2005), Banaji (1994) and Brass (1994).

My fieldwork agrees with the above mentioned existing knowledge. It attempts to bolster and nuance the arguments and, not the least, to deepen our understanding of the relevant state–class relations. The following three sections first elicit the features of agricultural policies of the states and argue how these protect and promote the interest of big and capitalist farmers alongside the new fraction of gentleman farmers who invest surplus from other sectors in profitable elite crops, like floriculture and horticulture. The second of the sections deals with the agrarian proprietary class fractions, their consolidation, alteration and formation during last two decades. The third section looks at three powerful classes—capitalist, political class and big farmers (its different fractions) and analyses their inter dynamics. The famous text by Bardhan (1984) argued these three proprietary classes, viz, landlord, bureaucracy and industrialist were
putting their diverse demands on the state causing failure of decisive policies and poor growth. Whether these three social classes are still critical to functioning of the state or have a change undergone in their interests, inter-relationship and hence the nature of dominant coalition (political settlement as Khan terms it) remains a central question.

7.1 Agricultural policy and land policy: The benefactor and beneficiaries
In all three states, meeting and interviewing farmer organisations’ leaders and their associates was prioritised to unfurl what kind of demand they champion, who are at the forefront of pushing their demands vis-a-vis the state, and how government reacts to these since early 2000. Scholars have pointed out that the voting out of power of the NDA in the 2004 general elections indicated the strength of the power of the rich rural classes to influence electoral outcomes (Bose 2006, Vasavi 2007). The agricultural policies that each state formulated occurred in aftermath of the election results. The agrarian crisis in late ’90s was a result of blindly taking to the prescriptions of GATT agreement, cutting agricultural budget and subsidies; but the state governments soon realised that continuance of such deprivation of all rural classes had the potential to defeat their own political aspirations. Since the late ’90s, the agrarian sector was in crisis (Sainath 2004, Patnaik 2002), but my suspicion was the new policy regime would attempt to alter things, and bring the rural proprietary classes back in among the beneficiaries of state policies, for political reasons and thus deserved attention. My main conclusion in light of the empirical evidence presented is that in the neo-liberal period, global forces do wield power but classes within India also retained power, so the State has had to guard the interest of the proprietary classes while following international organisation prescriptions.

7.1.1 Agricultural policy’s differential outcome to release the supply of land
For the classes to influence policy making, it is necessary to have established good relations with the political class, though it is not a sufficient condition. Ample fieldwork based evidence was presented showing that the classes continue to have linkage to political institutions, but through individual connections rather than organisations or lobby tactics. These relations of big farmers to political parties and leaders, their association with district level bureaucracy, assuming positions of power in local government point at their hold on state apparatus. This has also been observed previously by Manor (2007), Harriss White (2008), Jeffrey and Lerche (2000), Pattenden (2005) among others.

The fieldwork noted the presence of BKS in agriculturally developed districts of Chhattisgarh and Gujarat, and KRRS in irrigated and commercial-crop dominated districts of Karnataka. The
members were primarily commercial crop farmers indicating organisation and negotiating power absent among primarily, food crop growing small farmers. The incidence of such connection was the highest in Karnataka where almost every big farmers and landlord seemed to harness political ties, followed by Gujarat and then Chhattisgarh. A case of concentration of political power was noticed in a big farmer household in northern district of Karnataka where one brother was a KRRS leader and another in Congress party. This example is indicative of how political opportunism trumps a committed ideology in the pursuit of economic interests.

However, the evidence pertaining to the role of these organisations in policy formulation was tentative. No direct evidence could be collected of big farmers forming part of policy making forum or of a minister or bureaucrat taking a position in policy formulation forums in favour of big farmers. Bureaucrats did take pro big farmer position during interviews but covered it under ‘it is necessary for agricultural growth’. An overlapping perspective was found between the political class and big farmers. Following Mitra’s (1977) argument, it can be inferred as a sign of proprietary class using state to maximise its profit motive which manifests in shaping policies which guard their interest. The class of big farmers was most agitated by cost of labour which has increased by 100 per cent in last decade. To save on labour costs, these farmers turned to mechanisation. From the interviews, it appeared that they were willing to invest in advanced machinery like weeding, sprinkler irrigations to cut the cost of labour. The same concern, that of labour costs, was prioritised by bureaucracy and policy makers as an issue of concern and both saw mechanisation as the way forward. It was established that subsidy in the decade of 2000 has been channelized towards machinery in agriculture showing the demand of big and capitalist farmers accommodated in the policies.

The focus areas of the new agricultural policy across all three states are threefold: chemical input centricity, high value crops and subsidised mechanisation. There are many other aspects in the long policy documents but they are not pursued in earnest by the states, like cooperatives to tackle the issue of non-economical small holdings, or attention to small farmers’ access to inputs. The crops, which are the claimants of largest share of state resources are horticulture and floriculture. Subsidies on machinery and subsidies through cooperative societies providing cheaper seeds and fertilizers are largely cornered by big farmers turned capitalist farmers (in Karnataka, also landlords). Chhattisgarh 2010 vision declares that the 30 per cent of farmers who are big and middle farmers will be the drivers of growth in the sector and hence shall be concentrated upon. In Gujarat, the impersonal push given to ‘capable farmers’ (as a bureaucrat called it) in form of subsidy for irrigation machinery and 25 per cent subsidy on greenhouses was
also intended to benefit the same faction. Small farmers may also grow cash crops but they cannot bear the cost of machinery, even if the government pays half of it; for high yielding seeds and pumps, they have to enter the vicious cycle of credit. They do not enjoy the benefits of subsidy and inputs from cooperatives and credit from formal institutions since they neither have political connections nor is their produce sufficient to lead to significant agricultural growth. So state which is keen to achieve high growth is not interested in the class.

As per the backward linkages to policy, in broad terms, it can be concluded that big farmers and landlords are in a position to push their agenda into political institutions. The landlords/big farmers are in positions of power within the bureaucracy and are supporting government policies of large-scale farming and mechanisation from within institutions. Big farmers have voiced their demands for higher prices, cheaper inputs, subsidies on machinery and above all non-taxation of agricultural income, all of which are, now, provided to them. The need for high agricultural growth, the decreasing land availability, the power of foreign capital along with the rural proprietary class’ display of power in the 2004 election, has reinstated the rural proprietary classes in the political settlement of each state and their interests are accommodated in agricultural policy formulation.

In assessing forward linkages, state agricultural policies have had a direct and an indirect effect. Based on my fieldwork – and drawing on Byres’ (1981) argument that such technologies are not resource neutral, - I argue, those who have land, capital and political connection can make use of such technologies. The state government’s focus in high-value crops and a shift in cropping pattern has aided capitalist farmers to profit in both Chhattisgarh and Gujarat. In Karnataka, in addition to capitalist farmers, big farmers in general have also cornered state favours due to extensive patronage network. Chhattisgarh’s big farmers were found maintaining good relation with political big bosses but only in the plains. Broadly, here, tribal districts failed to receive state patronage, with a few exceptions like an ST leader who maintains a network of clients among the ST population. He holds an assembly seat and has accumulated significantly by strength of his political power. Incornering state favours, the OBCs have fared better than others in both Chhattisgarh and Karnataka.

The big farmers who have not adopted commercial crops and new technology were found making little profit, for instance the paddy producing big farmers of Bilaspur and Dhamtari districts of Chhattisgarh. As a safety net they relied on the occupational diversion into
professional jobs such as white-collar jobs or bureaucracy. Here the big farmer is not a capitalist farmer rather becoming part of petty bourgeoisie. In the case of Karnataka, the state secured high prices for big farmers’ produce, as seen in case of sugarcane and arecanut where client-patron relation operates between these farmers and state bureaucrats at local state level. In Gujarat, big capitalist farmers have extensively adopted technology-intensive agriculture which has proved to be a profitable enterprise under state policy, since Modi assumed power. Rising profitability probably explains the increase in large holding in the state unlike in the other two, suggesting those who are profiting are consolidating their holding (table 5.2). Those who cannot afford these capital-intensive technologies are finding it hard to sustain agriculture but not equally across the states. In Karnataka patron-client protection acts as a buffer against market forces.

The fieldwork shows that the benefits of input and credit privatization have accrued to rural propertied classes who operate as ‘private players’ like input shop owners, money lenders, commission agents more than ever in India (Janaiah 2002, Murugkar 2006, Raghavan 2008). Privatization of inputs has meant larger degree of marketisation of the production process. Owing to the lumpy nature of technology (Deshpande 2004, Cleaver 1972), farmers have to deploy all the necessary inputs together to ensure good yields. It has meant new avenues of diversification for accumulation for big and capitalist farmers. The same has been observed by Barbara Harriss White (2004, 2008) in her field work in West Bengal and Tamil Nadu and Ramachandran, Rawal and Swaminathan (2010) in Andhra Pradesh. In the three states, the landlord fraction has diversified into professional and bureaucracy jobs. For landlord class rent collection is its only relation with agriculture. The other fraction, big farmers are more into trades, money lending etc.—all being instances of extracting surplus from the small farmers.—This was also noted by Jeffery et al. (2008), Ramachandran et al. (2010), Breman (2007), Nair (1996) and Rutten (2003) in their work on Uttar Pradesh, Andhra Pradesh, Gujarat and Karnataka respectively.

An observation across states is the same agricultural policy which has created new and multiple avenues of income for big and capitalist farmers is acting as a tool of oppression of the small farmers. They are being exploited by a distant capital (Monsanto, Cargill, Dupont among others) and by these petty bourgeoisie, merchant capital elements who are carrying forward the agenda of capital within the Indian agrarian society. These elements are pushing for higher sale of expensive inputs by ‘threat and lure’ tactics, previously observed by Murugkar et al.(2006) and
Shiva and Crompton (1998). Given the withdrawal of government extension services, the small farmers have had to depend on the private sellers for information of how to use the new chemical inputs (Deshpande and Prachitha 2006). In order to increase sales, the petty bourgeoisie makes false promises, for example, winning over farmers with the promise of crop protection with the use of extra insecticide or telling them that use of more fertilizers will lead to better yield. Consequently, private players earn higher profits and SMFs earn higher costs. Interlocking of credit and factor market was reported and triangulated in all states as previously observed by Harriss-White (2004,2008), Swaminathan (2005) and Ramchandran (2010). The differential effect of the agricultural policy across classes has been identified by Ramachandran (2011).

Another aspect of agricultural policy is privatization of water and subsidy on machinery. It was affirmed that the big farmers continue to corner the available subsidy on machinery and thus develop private irrigation. Utilizing the subsidy aptly big farmers and fewer middle farmers are taking up capitalist agriculture. Another fall out of such biased and targeted agricultural policy is the rupture in ‘farmer interest’. New sources of accumulation for one class has reduced movement to a bargaining tool for big farmers who see little commonality with small farmers’ issues.

Jessop (1983) predicted immiserisation of proletariat shall accompany as capital matures and tightens its grip on the state. The findings show the objective conditions like informal credit, interlocking and rising cost of inputs have increased exploitation and extraction of small farmers. Both Chhattisgarh and Karnataka also reported a high incidence of farmer suicides – an indication of the severity of the agrarian crisis. As more and more small farmers find it hard to sustain agriculture, more land becomes available for sale to meet the demand of capital, who despite diverse lobbies, are uniformly seeking land. Agricultural policy is creating a continuous supply of land crucial to satisfy the capitalists. In Punjab, similar observation has been made about the severity of deprivation faced by small farmers (Singh and Bhogal 2014).

7.1.2 Land policy and emergence of petty bourgeoisie
The related issue of ‘land acquisition’, its illicit transactions and partisan motive has been prominent in the Indian debate in 2000s. In 1995, both Gujarat and Karnataka amended their respective land acquisition policies allowing agricultural land to be used for non-agricultural purposes in the name of development. This has aided strategic accumulation of land by
capitalists by converting agricultural land to non-agricultural and relaxing the ceiling on holding, already noted by Sud (2007), Nair (1996) and Gowda (2009). The process has been underlined by displacement and dispossession of small farmers, stirring concern from across activists, academics, journalists and development professionals (Fernandes 2014). My findings are in agreement with the scholars that industrial capital has benefitted from such policy shift. It poses an ancillary question. Is capital alone in cornering all profits?

Evidence confirmed that big farmers and in fewer instances, middle farmers are acting as intermediaries and thus were identified as profit makers as well across the three states. Beyond the realm of formal transactions, land is transferred from a farmer to a capitalist or a political leader informally every day. The techniques commonly used are irreversible power of attorney, shows the transaction as gift or uses scare factors such as notification by government which forces farmers to sell land to the available buyers. These informal techniques requires people from villages, who knows the owners of land and has their confidence to be able to organise the transaction smoothly. It would be wrong to classify them as big or middle farmers given preponderance of non-agricultural source in their accumulation. New petty bourgeoisie is a suitable way to characterise their interest and activities as per Poulantzas’ classification. The class is accumulating and reproducing itself by utilising opportunities created through market like land sale, agricultural input shops, commission agencies among others and aligned itself to capital. The phenomenon has been observed by Levien (2011, 2012) in Rajasthan and Rutten (1995) in Gujarat though they are not characterised as petty bourgeoisie.

Neo-liberalism, through the state, has brought more actors within the circuit of capital. This runs counter to the prescribed shrinking of the state in the neoliberal era. One category of actors who has been newly inducted into the circuit is the elected leaders of panchayats. Reservation policy has brought members from lower castes and middle and small farmers within the political class at local state level. This could be seen from the manner in which they are co-opted into PRIs to generate consent on behalf of the village for acquiring common property resources like public land, grazing land or forest land, as observed in both Chhattisgarh and Gujarat. Benefit accrues to these few elected members thereby alienating the majority from their resources. As a result the pool of landless labourer is on a rise, as observed in Punjab (Singh and Bhogal 2014) whose resources are probably being concentrated in hands of the capitalist class; the process is aided by the elected members of PRI and other middle farmers with political connections. These new
beneficiaries can be characterised as old petty bourgeoisie accumulating from state resources through corruption and taking large shares of public schemes like PDS and NREGS.

Following Poulantzas’ definition of class, the one group which does not qualify as a class is the small and marginal farmers. This can be inferred from the fact that political institutions are consistently pushing for a policy framework which is harming the small farmers. These farmers are not directly occupying positions of political power nor are they clients of political patrons as seen in the case of big farmers. Therefore, they do not operate as a political force, directly or indirectly. This would also mean the absence of an organized struggle for their economic interests i.e. they, do not engage in class struggle. But should this be taken to mean that they lack class consciousness? This admittedly remains uninvestigated in this dissertation.

7.2 New class within India: A product of policy
It was one of the objectives to investigate whether rural proprietary classes (those who own capital) have any role to play in state politics, and if they have benefitted from current policies. The second aspect is dealt with in detail in this section. A few of the fieldwork findings which agree with existing literature were listed in the introduction. I find my conclusion closest to Barbara Harriss-White (2004, 2008), and V.K.Ramchandran, Madhura Swaminathan and Vikas Rawal (2010) who find the policies to have differentiated effect. The poverty facing millions of small farmers who form 80 per cent of agrarian population is true. But as true is the accumulation by different fractions of big farmers in past decade, after 2000.

A first step was to identify on field the fractions within the class of big farmers in each state who are operating in present context. Some light was also shed on their caste identities though not extensive. The big farmers predominantly came from upper and middle castes and OBC – so there is not a strict caste class overlap. They generated surplus from sources other than agriculture. The nature of classes has and still is undergoing transformation — especially since the ’90s. New kinds of class dynamics and consolidation were observed.

Capitalist farmers are present across all three states, but in Chhattisgarh they are regionally concentrated in the western districts like Durg and Bemetara whereas the eastern districts continue to grow paddy and stick to old methods of cultivation. New seeds and technology have made some inroad but it is limited in comparison to other states. In Gujarat, big and medium farmers have either assumed capitalist farmer or merchant capital class identity. This is a result of
the green revolution and the wide adoption of groundnut production and then BT cotton. As data shows, since 2005, the percentage and number of large holding has seen a rise in the state, pointing to the profitability of agriculture. In Chhattisgarh and Karnataka, the accumulation by capitalist farmers both within and outside agriculture has been augmented by their connection to political parties and the political class. In Karnataka, sugarcane, arecanut are a few of the commercial crops grown by capitalist farmers while the last decade has also seen the wide adoption of hi-tech floriculture and horticulture, directed to export market. So shift towards hi value crops is noted.

Barbara Harriss White (2004, 2008) has argued that big farmers, landlords and some middle farmers who have access to political power do not see land and agriculture as central to their income owing to avenues of diversification. Her field evidence is from Tamil Nadu and West Bengal. This has been found to be valid for the three states under scrutiny, but not uniformly. In districts where mining or airports or particular industrial projects have taken place, capitalist farmers were keen to sell land and make money but where high value crops has taken roots and farmers were earning well from export market, like cotton or flowers, they were happy to remain in agriculture.

It can be confirmed that big and capitalist farmers have diversified into various new sectors in the neo-liberal era, thereby generating handsome surpluses. As argued in the previous section, it is appropriate to classify them in Karnataka and Chhattisgarh as new petty-bourgeoisie who have gathered capital but not invested in trade or industry. Gujarat is an exception where the surplus has been invested in trade, hence they can be aptly characterised as merchant capitalists. Expansion of the old petty bourgeoisie class was predominant in Karnataka. The new state in Chhattisgarh has recruited members from middle and big farmers (mainly OBC, fewer SC) into the state bureaucracy so an expansion of old petty bourgeoisie has taken place here as well. Dependence on state resources for self perpetuation is comparatively lower in Gujarat.

In the introduction of the thesis an ancillary question raised was whether policies of liberalization-privatization have expanded farmers’ playing field to urban areas or further limited it to rural? As the fieldwork presented in this work shows, the classic rural-urban divide which scholars like Atul Kohli (2012) have upheld is not a correct portrayal of contemporary Indian politics and society. Beneficiaries of neo-liberal policies are present as much in the rural context.
as in urban. In fact the passage between the local state\textsuperscript{188} (district level) and regional state (state capitals) is controlled by the proprietary classes who have access to both and who, in garb of private players, have accumulated and have remained politically relevant. Their playing field has very much been extended to urban India. This finds support in Khan’s (2005) notion of petty bourgeoisie which constitutes of college and university graduates and middle and big peasants. They act as agents for political parties, as political entrepreneurs who lead both organized and informal politics. In my analysis, the class constitutes of members from middle and big farmers, input shop owners, white collar professionals and bureaucracy.

Introduction and propagation of chemical inputs like hybrid seed, pesticide and fertilizers has curbed farmers’ autonomy forcing them to source inputs from market. A phenomenon termed as ABD by Kloppenburg (2010). More importantly it necessitated the development of a channel between capital (private company) and small farmers, allowing the shop keeper selling these products to gain from the process. He is a retailer while the company (capitalist) selling the products is a distant whole seller. While the market has penetrated villages through these shops, many private companies were found employing agents from adjacent villages to go door-to-door to tap the farmers. This is resulting in higher consumption of chemical inputs. Demonstration effect is also put to use to capture farmers who are adopting commercial crops. Extension services, made available by state governments, have seen a fall post 90s, thus farmers’ dependence on private companies has gone up significantly.

Eminent scholars like Partha Chatterjee (1997), Harold Gould (1995) and Atul Kohli (2004) had put forth the argument that the ruling party in early decades after independence did not build a new structure of power in the localities; the method of gaining dominance was by adopting the existent dominant groups within the fold of their parties and government. The same does not hold true for the current Indian state which is creating its own allies. The state in the last decades (particularly BJP since all state are mainly ruled by one party) carefully recruited beneficiaries from the deprived class and backward castes through informal land acquisition and PRI, thus fostering accumulation in the hands of a few middle farmers and small farmers who have shifted their alignment to capital. They are situated in rural India but are perpetuating interest of capital by accessing land of small farmers and organising land transactions on former’s behalf. They are tools in dispossessing the small farmers. Elected status as PRI representatives has also allowed

\textsuperscript{188} Akhil Gupta refers to district and village level politics as local state.
them access to state resources, adding generation of surplus. Their election receives handsome donations from local contractor and political parties, as evidence showed. So their rise to petty bourgeois class serves the interest of capital, by helping it to penetrate the rural market. The theoretical characterisation of Jessop (1983) that decentralisation will aid the process of capital’s infiltration into the furthest corners of an economy has come alive in the present scenario.

7.3 Class and state relations
The empirical chapters have presented the distinctiveness of each state, side by side highlighting a number of important regularities, like similar objective and tenets in agricultural policy, capitalist farmers’ benefitting from such policies, credit and factor market interlocking, big farmers’ diversification and small farmers’ finding self-cultivation unviable and unsustainable, beneficiaries in land transactions and PRI’s role in facilitating the same. Capitalists are uniformly found to be the driver of policies since it is the dominant partner of the political class, often themselves being the political class. Big farmers are part of the settlement but are in a position of receiving patronage and subsidy rather than being the decision makers. They are happy to be benefitting even though relegated to position of secondary partner.

In Chhattisgarh, the landlords are thriving through diversion to other income sources, and expressing their political will by entering bureaucratic positions. Big farmers pursuing food crops are not the prime beneficiaries of state attention though they access inputs and credit from formal institutions. So the main allies are capitalist farmers concentrated in western districts. In Gujarat, the last decade has seen policies aiding high value crops and mechanisation which has benefitted capitalist farmers. There are overlaps between the big farmers are merchant capital such that a strict line is hard to draw. The state in furthering capital is paying attention to the ally but less than the big corporates belonging to industrial capital class like Reliance, Essar and Adani. In Karnataka, the state is not geared to productive investment and is rather attending to patronage distribution. The big capitalist farmers are very much benefitting from subsidies for high value crops, but gentleman farmers are also among the beneficiaries. The landlord class has maintained its control through government positions acting as old bourgeoisie. The rampant land acquisition has benefitted big and fewer, middle farmers with the capitalist reaping the larger gain.

The relation with state officials at district level has surfaced as a critical factor in enhancing access to surplus for already proprietary classes. The literature has shown that local state officials
and merchants collude with each other to protect and enhance their interests (Harriss-White 2004) and ‘rich-farmer co-option of local state officials’ in Uttar Pradesh (Jeffrey and Lerche 2000). The beneficiaries are political brokers and economically powerful richer farmers who exert control on state resources. Field interviews in the states indicated that PRIs are a cog in the wheel of the larger state-capital nexus. PRI serves two key purposes – distributing state patronage thus finding loyalists among villages who have joined the old petty bourgeois class. Accessing the pool of land is a purpose served best in Gujarat where panchayat gives a no-objection certificate to land acquisition of common land. State resources continue to support old petty bourgeoisie’s sustenance and nurture. Funds under MGNREGS have contributed significantly in their perpetuation particularly in Karnataka. My observation is that the beneficiaries are not always upper caste but rather from other backward classes in all states, something which has also been proposed by some scholars already (Pattenden 2005, Rajasekhar, Babu and Manjula 2011). Inclusion of lower castes and middle farmers in circuit of capital has added to the importance of class to understand and analyse Indian politics rather than ascribed identities.

An outline of the lobbies operating in each state in the ‘90s and since 2000 was provided. A change in dominant lobbies was observed in Gujarat after 2000 from diamond, textile and oil to real estate and chemical/gas; it emerged that Gujarat has also experienced a shift from small to big corporates dominating the economic scene. In Karnataka the shift was from education and IT to mining and real estate. Chhattisgarh since its formation has been dominated by mining, cement and real estate. Discussion on lobbies is not to suggest any ambiguity about the dominance of capital, but to emphasize that, whatever the lobby, one common interest pervades all capitalists which is ‘land’. So for a state which is closely associated with the capitalist class, it is imperative to ensure the access and supply of land. Based on the case studies of my field work I argue that the role of agricultural policy is significant in coercing small farmers to leave self cultivation.

The close nexus between capitalists and political class (bureaucracy and political leaders) with instances of the two classes interchanging their positions were noted across states. Despite commonality, each state presented a different kind of relationship. Chhattisgarh is best characterised as a case of ‘personal fusion’ as Jessop (1983) and Miliband (1969) had argued. This is owing to absence of both land reforms and green evolution in the state, such that big farmers are not in a position to pose any formidable challenge to other classes. Gujarat is a case
of relative autonomy which Poulantzas wrote about where state is perceived as having a separate entity from capital, thanks to the language of market adopted by state officials and leaders. Within the state although, evidence of grand corruption was recently detected (Bussell 2012); it shows rent collection is widespread by the political class. But undeniably, it is the strongest state among the three. It can be ascribed to the mature nature of Gujarat economy where the capitalists prefer growing through market opportunities rather than thriving on state resources, precisely the sentiment Modi has worked upon. The state in this case plays a supportive function of providing the infrastructure like roads, power for such fast economic growth to be possible (Sood 2012). Karnataka has a clientelist state, a feature Mushtaq Khan (2005) characterises South Asia with, where state patronage is almost imperative for economic accumulation. Admittedly, instances of patron-client relation and personal fusion were observed across the other states as well. It is also the most welcoming to foreign capital in all sectors. The characterisation is based on the most dominant feature of the state, but should not be mistaken as the only feature noted in field.

In their recent work, Harriss, Corbridge and Jeffrey (2012) acknowledged the shift of the Indian state towards a particular class, that of business/elite. They mention ‘greater costs of participating India’s competitive politics led a growing number of politicians to finance their campaigns illegally’ (pp.15-16). Capitalists funding elections as party donations or contesting elections were noted across interviews. Karnataka Election Watch (2008, 2013) finds elections were fought by increasingly the millionaires who could spend big not such on campaigns but on dolling out goodies (ADR 2008).

Kohli (2009) notes a pro business tilt to Indian state, a shift from his state-above-society position in earlier works (1990, 2004). The two main positions which emerged in literature review are of ‘state over society’ and ‘state partnering social actors’. My finding indicates that social forces have become so integral to the state through connections with political parties, taking party membership, funding elections and capitalists’ direct assumption of political power that the boundary between state and society has become more permeable than ever. Judged on the evidence relating to agricultural policies and land policies, the state does not reign over social forces in India. In this field at least, the present scenario is one where those wielding socio-economic power, exert tremendous control on state institutions.
7.4 Concluding remarks
The political system being a bounded system loses its relevance in the face of the political role of classes, as repeatedly noted in the political system. Class definitionally is as much determined by political and ideological relations as economic (Poulantzas 1973). To realise their economic aspirations, proprietary classes have come to occupy political positions and also directly/indirectly influence different state apparatus, thereby breaking the insulation of the political system.

The other critical inference pertains to the agrarian structures. The peasant-globalisation dichotomy (Patnaik 2006, McMichael 1997, 2008) as the most preponderant such that differentiation within classes do not matter and all peasants are set to lose with expansion of corporates’ hold in agriculture is a widely circulated view. The field observations suggest that it is not an appropriate understanding of present India. Rather, polarisation of agrarian classes into those acquiring more capital in neo-liberal era from agricultural and non-agricultural sources, particularly in the post 2004 policy regime and those losing their small holdings due to the high cost of cultivation, informalisation of credit and high demand for land makes the class differences a stark reality in era of globalisation. Emphasis on mechanisation is undoing the relation between the two polarised classes. The mention of such polarisation can be found in Lerche’s writing (2013). The process is aided by the state who is providing extra income to the capital-owning classes by creating opportunities of diversification. Policy favours elite crops which is also generating profit from agriculture itself. In the process the petty bourgeoisie is thriving on both agricultural and non-agricultural income.

Neo-liberal policies have diffused the tension between the three proprietary classes, as Bardhan (1984) found in the 80s. This has been made possible by state’s careful artwork of policies as much as class’ interest in maximising new opportunities created by market, resulting in three classes partnering each other in accumulation and self-perpetuation. Herein lies the success of capital in neo-liberal phase. The political class has increasingly come closer to capital and sometimes assumed role of capital themselves while capital has assumed political positions as well. For sake of electoral victory, it is likely that they have shared some benefits with big and capitalist farmers as well. The marriage of the beneficiary and adjudicator can frustrate all attempts by common people for justice, and thus sound the death nail of democratic institutions, as India has experienced during past decades.
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Appendix I: Question check list

Some key questions raised in fieldwork have been listed here –

What are the pressures on agricultural ministry from other ministries?
How much is farmer distress within the state assessed?
Is there any formal forum where farmer distress is reported on a regular basis to authorities?
Have PRIs been playing any role in acting as a link between local issues and the state?
What pressures does the state government feel from the central government?
Has anything changed over the last two decades, post liberalisation?
How does industrial development affect agricultural policy formulation? Is there a strong industrial lobby? What has been the role of FICCI (Federation of Indian Chamber of Commerce & Industries) and CII (Confederation of Indian Industries)?
This shift from food crops to cash crops - how does the government encourage farmers to make this transition? Why is it necessary?
Between sugarcane, groundnut, and cotton – how does the government decide where the thrust of investment should be?
How difficult has it been to minimize the effect of international price fluctuations for cash crops?
The way Uttar Pradesh government faced strong farmer protest from sugarcane farmers, how did Karnataka avoid similar protests?
Who are the leaders of the countryside? How is the performance of the OBCs? Have they gained through reservation? Is the gain collective or individual? (especially for Chhattisgarh and Karnataka?) Which districts have their dominance?
What is the relation between the OBC and tribals?
What have been the Congress and BJP’s strategy to include them in the party?
What is the source of power for the Agarwals? Where are they based? Have they diversified in other sectors? Do they have control on land?
For the political leaders, how parties negotiate between growth objectives and social welfare?
Is subsidy a better way of helping farmers? Does it help them? Among seed, fertilizer and pesticide subsidies, which is crucial to farmers?
What factors have led to fall in subsidies over the last two decades?
Given that first half of post-2000 decade saw low agricultural growth, how has the economy been affected by the same?
Farmers suffer from high incidence of debt - how is the government dealing with it?
How has horticulture and floriculture been acting as new agricultural ventures? Which districts have adapted most to these changes?
Where are procurement agencies located in district headquarters or villages? What kind of crops are main target in the procurement process?
What kinds of professions have children of bureaucracy taken up?
Where do they plan to retire and live in?
How effective have subsidy been in the last 20 years?
What is the most crucial help that you want from the government?
Have the farmer diversified their crops? Was this for profit or was it prompted by government initiative?
Can the small farmers access government procurement system or do they sell their produce to the traders?
Is there a specific class character of the pressure groups that have been active in the states? Are they unique to each state or is there a pattern, given all three states are ruled by one political party, Bharatiya Janata Dal?

Details of the following would be looked into - Agricultural outlay in budget, Seed policy, Free power and electricity, Pesticides and fertilizers, Institutional credit, land acquisition policy
Appendix II: Interviewees list

Chhattisgarh

1. Parvinder Singh – Veteran News Reporter
2. Chandrakar – Big Famer and Technocrat
3. Journalist – Editor, reputed newspaper
4. Government officer – member, State Planning Commission
5. Environmental Activists – local NGO, Korba
6. Santosh Rathia, Korba
7. Jeevan Rathia, Upasaran, Korba
8. Indra Mohan – Coal Transporter
9. Senior Government Officer, GoC
10. Senior officer, Agriculture Department
11. MLA, Raipur
12. Professional, Seed company, MNC trading in pesticides
13. Senior development professional, Raipur
14. Sarpanch, Dhamtari
15. Senior academic in Agrarian studies
16. Political cadre, Kisan Sabha
17. Social and political activist
18. Well known technocrat
19. Political activist, CPI
20. Member, Chhattisgarh Bachao Andolan
21. Faculty, Agricultural University
22. Member, Irrigation Dept.
23. Mohit Deewan, businessman and my house owner, head of Maheshwari community
24. Social worker, Bilaspur
25. Gulab Singh, panch
26. Lecturer, Bemetara
27. Vicky, a PDS shop owner, Jagdalpur
28. Karan Das Sharma, Durg farmer
29. Four small farmers - Bhatagaon farmers, FGD
30. 50 students in Bemetara District Educational Institute for Training – FGD
31. 10 women farmers, village, Bilaspur, FGD
32. Chandrakar, middle farmer
33. Member, Adivasi Samta Manch
34. Member, National Centre for Advocacy Studies
35. Technocrat, district collectorate
36. Big farmer, Durg
37. Social activist, Rachna Manch owner
38. Development professional, NGO working on education in villages
39. Senior government officer
40. Zilla Panchayat members, Dhamtari
41. Meenu, social worker, Jashpur
42. Ex. Finance Minister, King of Korea
43. Sahu bhai, auto driver, Raipur, Rajim gaon
44. Four farmers, New Capital Affected Farmers Union
45. Ravinder Chaubey, Leader of Opposition
46. Anand Mishra, President, Samajvadi Party, Bilaspur
47. Journalist, Bilaspur
48. Tractor shop owner
49. CPIM member
50. Divanji, 100 acre farmer, Champa

**Gujarat**
1. Nationalised Bank officer
2. Faculty, Gujarat Central University
3. Senior Congress member
4. Sociologist
5. Journalist, Hindu
6. Development professional, NGO
7. Leader, community-support NGO
8. Farmers, Anand district
9. Social activist, Ahmedabad
10. Scholar, GIDR
11. Social activist and organic farmer, Baroda
12. Shashibhai Patel
13. Sarpanch, Kheda district
14. Ramjibhai Masrufbhai Bharwar, factory employee
15. Shashibhai, CCPL employee
16. Member, farmer political organisation
17. Faculty, rural development expert
18. Political leader
19. Yogesh Patel
20. Technocrat
21. Bikabhai Gopaldas, Sumanbhai Bababhai, Bipinbhai Maganbhai, Pralatbhai Vikabhai, Girishbhai, Haribhai Mohanbhai (head), Chandrakant (FGD)
22. Senior academic, Centre for Development Alternatives
23. Development professional, NGO
24. Political leader
25. Social activist, Surat
26. Fieldwork expert, Surat
27. Political leader, CPIM
28. owner, Oil Mill, Rajkot,
29. Haribhai, Rajkot farmer (35 acres)
30. Activist, Gujarat Lok Samiti, Rajkot
31. Shiraz Bhai, Muslim farmer, Ahmedabad
32. Political cadre
33. Floricultural family, Surat
34. Agricultural Cooperative Bank, Chairman and his acquaintances
35. Manager nursery, Surat
36. Veteran social scientist
37. Businessman, Pharmaceutical
38. Ahmedabad businessman

**Karnataka**
1. Rural development expert
2. Political activist, whole timer, Mandya
3. Senior journalist
4. Rural India, reporter
5. Senior field work expert
6. Narendra Pani, NIAS
7. Member, Kisan sabha, Bangalore
8. KRRS leader (2 meetings)
9. Heblikar, Dharwad, retired engineer and farmer (25 acres)
10. FDG-Harappan Surkod (40 acres) Malappa Navalur (36 acres) Shankarappa Suryavamshi (60 acres), Muggappa Somapa (36, self), Hussainsaab Kannur (32), Basappa Bellvadi (40 acres)
11. MLA, owner of largest dairy
12. Landlord, Dharwad
13. Heblikar, contractor
14. Manjunath (15 acres), Haveri district, graduate
15. Ravi (25 acres), Bijapur distruct
16. Ramchandra, Coorg
17. Ravi, Coorg
18. professor Assadi, Mysore University
19. Mysore University, KRRS leader
20. Senior technocrat
21. Farmer, 10 acre
22. KRRS leader
23. Farmer (40 acres), Bellary, KRRS and coal trader (FGD)
24. D. Chandrashekhkar, ISEC, Decentralisation and Planning Dept.
25. Academic, ISEC
26. Hospet FDG – M. Danesh (district secretary and lorry business)
27. M. Jedyappa (10 acres)
28. Venkatesh Murthi, MLC.
29. Member, Planning Commission
30. Com. Madhava, LIC worker and District Secretary of All India President of Bidi Workers
31. Munnar village –Focus Group Discussion
32. Rajaram Talpad, Mangalore University, cousin of RSS leader
33. Dr. Uday Kumar, University College, Mangalore, Commerce Dept.
34. Nishchal Kodavara, Malnad,
35. Narayan Murthy Kodavara,
36. Administrative Senior Officer, Dharwad University,
37. IISc student, Tumkur farmer