

Tenancy and Accumulation:
A Study of the Capitalist Farm Sector in Punjab

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Abstract: The period from the late 1990s to the present in rural India has been characterised by scholars as being a period of agrarian distress. There is debate, however, on whether this “unending” crisis has halted capital accumulation in agriculture and affected all classes. This paper contributes to this debate by studying aspects of capital accumulation in Punjab. It uses data from two surveys of a village in the *Doaba* region of Punjab: a census survey by the Foundation for Agrarian Studies in 2011, and a resurvey by the author of a sample of households in 2019. The paper argues that capital accumulation in the village has continued over the last two decades and was concentrated in a class of tenant-capitalist farmers belonging to the dominant class and caste (Jat Sikhs). In the context of stagnation of agricultural productivity and declining profitability per unit of land, this group of capitalist farmers was able to enhance their *total* income by leasing in land. This opportunity was created by large-scale emigration among the landed Jat Sikhs. Tenant-capitalist farmers had privileged access to the lands of the emigrants with whom they shared caste and kinship ties. This path of accumulation was further facilitated by access to cheap migrant workers, assured procurement by the State, an active market for machinery, and access to credit at affordable rates of interest. Tenancy thus provided an impetus to accumulation and investment in the capitalist agriculture of Punjab in the contemporary period.

Keywords: Tenancy, accumulation, capitalist farmers, capitalist development, agrarian crisis, agrarian distress, caste, class, Jat Sikh, land, emigration, migrant labour.

INTRODUCTION

This paper examines differential levels of capital accumulation among categories of cultivators in a general context of agrarian crisis. It does so with respect to a village in the *Doaba* region of Punjab State and examines, in particular, the part played by contemporary agricultural tenancy in capital accumulation.

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There is a vast literature on persistent agrarian crisis and rural distress in India after the introduction of neo-liberal policies in the 1990s.² While there was a revival in agricultural growth after 2004–05, the crisis remains severe for the vast majority of the population in rural India.³ It is unclear, however, how this “unending” agrarian crisis (the term is from Mollah and Krishnan 2016) affects capitalist development and accumulation in Indian agriculture: has the crisis halted capitalist accumulation in Indian agriculture by adversely affecting *all* agrarian classes or has capital accumulation continued during the period of crisis? An answer to this question that has been proposed in the literature is as follows:

The growth revival in agriculture was . . . a highly unequalising process, with the majority of the agrarian population — mainly poor and middle peasants and rural workers — benefiting very little and often losing in net terms. Moreover, it is dependent on sustained state support, which is most unlikely to be forthcoming. The absolute decline in public investment in agriculture since 2009 suggests that the recovery is fragile and, with severe austerity policies being imposed since 2011, the growth of productive forces, essentially driven only by the profitability considerations of domestic and foreign monopoly capital, will slow down, though the dominant agrarian classes will continue to accumulate surpluses and invest (within the limits of their relative bargaining power in the bourgeois-landlord class alliance). (CPI(M) 2016, pp. 2-3)

This study attempts to study empirically some of the issues proposed in the preceding paragraph.

The State chosen for this study is Punjab, one of the earliest adopters of the Green Revolution technology. It led the way in transformation of cultivation of wheat and subsequently rice. From the late 1980s, however, numerous studies on Punjab’s agrarian economy have warned that Punjab agriculture was going through a “crisis,” and highlighted methods of mitigating that crisis.⁴ The signs of such a crisis in agriculture in the State included a steep deceleration of Punjab’s agricultural growth (merely 1.61 per cent per annum between 2005–06 and 2014–15), which is less than half India’s agricultural growth during the same period (Gulati, Roy, and Hussain 2017). There was a three-fold increase in the number of farmer suicides between 2003 and 2014 (Grover *et al.* 2016). Farming households in Punjab, particularly small farmers, are deeply in debt, and debt levels among small farmers are almost equal to the income generated from cultivation (Singh *et al.* 2017). There are also environmental problems, including depletion of soils and groundwater resources (Hira 2008; Vatta 2019).

² See, for instance, Pillai (2013); CPI(M) (2016); Mollah and Krishnan (2016); the articles in EPW Engage (2018); and Himanshu (2018).

³ See AIKS (2017); Athreya (2013); and CPI(M) (2016).

⁴ See, for instance, Gill (1989); Chand (1999); Sidhu (2002); Singh, Kingra, and Singh (2009); Kalkat (2008).

DATA AND SOME DEFINITIONS OF CONCEPTS

The data for this paper has primarily been drawn from a census-type survey of Tehang village conducted by the Foundation for Agrarian Studies (FAS) in May–June 2011 under its ongoing Project on Agrarian Relations in India (PARI hereafter). One of the objectives of PARI is to “analyse village-level production, production systems, livelihoods, and the socio-economic characteristics of different strata of the rural population.” The variables on which household data are collected include demographic data; land owned, operated, leased, sold, and purchased; crop yields, input application, costs incurred, and prices received; sources and levels of income and employment; forms of labour; credit and indebtedness; and asset ownership.⁵

Since longitudinal data are needed to explore trajectories of agrarian accumulation and change, I conducted a month-long field survey in Tehang in January 2019. Through in-depth interviews of 41 sample households, I canvassed a set of questions similar to the PARI questionnaire, focussing especially on aspects of tenancy and land leasing, surplus extraction, and accumulation in the farm and non-farm sectors.

In the PARI dataset, the variables that are relevant to household capital accumulation in farm business activity include:

1. the purchase of agricultural land, agricultural machinery (old and new), and other means of production;
2. the construction of farm buildings such as godowns, warehouses, and polyhouses;
3. investments made in irrigation and irrigation equipment (such as tubewells, motor pumps, and generators); and
4. the purchase of milch animals.

In this paper, I have used data separately on the agricultural land and machinery accumulated by each household. These are stock measures. To measure the value of the stock of land owned by a household, I added up the value of all agricultural land bought by the household over a period of ten years prior to the 2011 survey. With respect to stock of machinery and irrigation technology owned by a household, the value of all items of machinery was calculated for the

⁵ Further details about PARI is available at <http://fas.org.in/category/research/project-on-agrarian-relations-in-india-pari/>, viewed on May 14, 2019. The framework, methodology, and schedule used for survey of households by PARI can be assessed from <http://fas.org.in/survey-method-toolbox/>.

survey year, taking into account the present value, depreciation, and the remaining life of each machine.

There are a few caveats. First, PARI collects details on investments made by households on the assets they hold at the time of the survey. The data is collected using the recall method. This method may skew the magnitude of accumulation towards those made in recent years. Secondly, information on other components of accumulation in agriculture (such as increase in the scale of operation over the years, attempts at consolidation of land holdings) and outside agriculture (such as construction or purchase of non-farm productive assets, the magnitude of emigration to foreign countries, and other such factors that may positively affect accumulation in agriculture) are either not collected or not emphasised adequately. Thus, using PARI data, we can only partially measure the nature and direction of capitalist accumulation in agriculture by various agrarian classes.

INTRODUCTION TO THE VILLAGE

The study was conducted in Tehang, a village situated 6 km from the town of Phillaur, headquarters of the tehsil of the same name in Jalandhar district, Punjab. Jalandhar lies in the Doaba region of Punjab, the land between the Sutlej and Beas rivers. Jalandhar is close to the Himalayas and receives generous monsoon rainfall as well as winter rainfall. Moreover, the Sutlej river gives the region a high water table and fertile land, ideal for crop cultivation.⁶ Agriculture is essentially monoculture, with almost 90 per cent of the land in the kharif and rabi seasons sown with rice and wheat, respectively. Irrigation conditions are advanced and there was no unirrigated cropland in the village at the time of our surveys. Although connected to a canal, fields were irrigated mainly by groundwater pumped up through tubewells.

Inequality in ownership of land in the village was very high. The Gini coefficient for the distribution of ownership holdings of land was 0.84. Land was concentrated in the hands of the households from the agriculturally dominant Jat Sikh and Kamboj castes, who, despite constituting only 25 per cent and 5 per cent of village households respectively, together owned 97 per cent of the extent of all ownership holdings of land in the village and operated 99 per cent of the extent of all operational holdings of land in the village. Population-wise, it was a relatively large village with 682 households as per the data collected by the FAS in 2011. Dalits households

⁶ The water table in the region was at 40–60 feet in 2011 which is comparatively much better than the *Malwa* region in Punjab where the water table had dwindled to around 100 feet in 2011.

constituted 55 per cent of all households in the village. Most were landless.⁷ Because of high levels of mechanisation in agricultural production, local workers were primarily dependent on non-agricultural work (particularly in the construction sector in and around the village and in nearby factories and urban centres). There was substantial immigration to the village of workers from states such as Bihar and eastern Uttar Pradesh who depended on local agricultural work for their livelihood. At the same time, there was emigration by people of the landed castes and classes to countries such as the USA, United Kingdom, and Canada. These emigrants form the bulk of the lessors in this agrarian economy, which, as shown below, has a higher prevalence of tenancy than most agricultural regions of the country.⁸ More recently, members of the historically oppressed castes and workers have emigrated to countries of the Persian Gulf region for construction work and to Australia for semi-skilled jobs.⁹

Identifying Categories Among Cultivator Households

Identification of the classes that arise as a result of capitalist development in agriculture is central to the understanding of the agrarian question (Ramachandran 2011).

I first identified all households in the survey year that cultivated land, that is, had operational holdings of land. These numbered only 117, i.e., they constituted less than 20 per cent of all households in the village. Of them, 27 households can be classified as petty producers (originating from the poor and lower-middle peasantry), all of whom were net sellers of labour power and were rarely able to (re)invest their surplus, if at all they were able to realise any surplus, back into agriculture.¹⁰

⁷ Only four out of 397 Dalit Households in the village owned agricultural land and only six households cultivated crops.

⁸ To put into perspective this is one of the highest proportions of land under tenancy across all the 22 villages from 12 States studied in PARI surveys (see Ramachandran (2011) for comparison).

⁹ The village also has a partition history as 80 per cent of the residents were *Arain* Muslims before independence who were replaced by the Sikhs and Hindus from West Punjab after partition (Das and Calvert 1931). See Bansal (2019) and Sivamurugan and Swaminathan (2017) for further detailed profile of the village.

¹⁰ Most of the households in this category were primarily dependent on non-agricultural sector to meet their survival and/or simple reproduction. They were either engaged as casual wage labour or as informal salaried employee in non-agricultural sector, or as petty producers/traders in businesses like tailor shop, photo studio, and grocery shop, etc. Therefore, this category is better understood as wage workers or petty producers who receive only a subsidiary income from cultivation. In such a condition, it made little sense to identify them as peasants and have instead been referred to as *petty producers*.

The other 90 households that cultivated land are the major subjects of the analysis in this paper. They cover a spectrum among classes, from capitalist landlords and big capitalist farmers to the upper echelons of the peasantry. We consider investment, accumulation and general economic activity among these 90 households.

I have divided these 90 households into four categories on the basis of their historical position in the agrarian economy, their participation in the tenancy market, and their scale of operation. Households whose major incomes came from non-agricultural sources but also cultivated land (households that may otherwise have been excluded while identifying *agrarian* classes in a strict sense) were included in this exercise, and I thus use the term “categories of cultivators” rather than “classes” for the four groups described here.

Category 1: Capitalist-landlord households, whose historical position in the village class hierarchy was that of landlords, and whose cultivation today is based entirely on hired labour, especially migrant permanent workers. Only one of them leased in land.¹¹ The features of this class have been discussed in detail in Ramachandran (2011) and CPI(M) (2016).

Category 2: Big tenant-capitalist farmers, whose operational holdings fell within the top three deciles of the extent of operated land and participated substantially in tenancy transactions in the village.

Category 3: Other rich capitalist farmers, who belonged to the top three deciles of landowners in the village in respect of land ownership. They are similar to the capitalists in category 2 in terms of their ownership of land and other assets but differ from them because they participate less in tenancy transactions in the village.

Category 4: Capitalist farmers and peasants who cultivated smaller operational holdings. Their holdings were within the first six deciles of the extent of operational holdings of land. On an average, these households owned less agricultural machinery, used more family labour than the preceding categories, and participated less than households in category 2 in tenancy transactions

¹¹ This landlord household owns land in three neighbouring villages and engages in tenancy to consolidate his landholdings into lesser and bigger fragments, helping him reduce the supervision cost and the hassles associated with it. He is also the current *Sarpanch* of the Gram Panchayat, President of the village co-operative society and a prominent member of Shiromani Akali Dal party.

in the village. As we shall see, this was primarily because they lacked the bargaining power to extend their operational holding by leasing in more land.

Tables 1 and 2 present the basic features of all categories of cultivators identified.

Table 1 *Land ownership, land operation, tenancy, and average size of land owned and operated, by categories of cultivators, Tebang, 2011* in hectare and per cent

Categories of cultivators	Households in category as a proportion of all cultivator households (%)	Average size of farm land owned (ha)	Average size of farm land operated (ha)	Per cent of leased-in land in total land operated	Share of extent of all ownership holdings (%)	Share of extent of all operational holdings (%)	Share of extent of all land leased in (%)
Capitalist landlords	5.1	12.2	16.0	29.2	23.5	15.5	8.7
Big tenant-capitalists	26.5	3.3	11.1	70.4	33.2	55.2	74.6
Other rich capitalists	11.1	3.8	4.0	12.5	15.8	8.4	2.0
Small-scale capitalists	34.2	1.7	2.6	35.7	21.8	16.8	11.5
Petty producers	23.1	0.6	1.0	39.7	5.6	4.1	3.2
All categories	100	2.7	5.3	52.1	100	100	100

Note: The share of leased-in land in total operated land was relatively high for landlords because of the presence of a landlord household that leased in land to consolidate his landholding. It was also high for petty producers because of the presence of a few landless tenant-cultivators in this category.

Source: PARI data, FAS (2011).

Table 2 *Features of cultivator households, by categories, Tebang, 2011* in number, per cent, and Rupees

Class	Category	No. of HHs	% of cultivator HHs	Hired labour ratio*	Average accumulation in agricultural MoP (Rs)	Average value of assets (Rs)
Capitalist farmer 1	Capitalist-landlords	6	5.1	0.03	115,876	114,761,807
Capitalist farmer 2	Big tenant-capitalists	31	26.5	0.08	75,282	26,634,204
Capitalist farmer 3	Other rich capitalists	13	11.1	0.2	33,739	32,304,240
Capitalist farmer 4	Small-scale capitalists	40	34.2	0.5	25,649	11,851,624

Petty commodity producers	Petty producers	27	23.1	1.2	415	4,177,911
All categories		117	100	0.15	38,405	21,547,477

Notes: 1. Labour ratio is the ratio of standard labour days worked by members of the household and labour days exchanged to standard labour days hired by the household.

2. HH=household.

3. Accumulation of the means of production has been annualised.

4. MoP stands for means of production.

Source: PARI data, FAS (2011).

TENANCY-DRIVEN ACCUMULATION

Table 1 above reveals that the category of “big tenant-capitalist farmers” had an overwhelming presence in the agrarian economy of the village, not least in the tenancy market. Even though cultivators from all categories were active in the tenancy market and increased the average sizes of their operational landholdings by means of leasing land in, the change had been phenomenal for the category of big tenant-capitalist farmers, the average size of whose operational landholdings were triple the size of the average size of their ownership holdings (Table 1). Despite owning 33 per cent of the total extent of all ownership holdings in the village, they operated 55 per cent of the total extent of all operational holdings in the village, and as much as 75 per cent of their operational holdings were held on lease.

At the other end of the distribution are the small scale capitalist and petty producer households which together constitute sixty per cent of all cultivators households. They owned 27 per cent of all ownership holdings and 21 per cent of operational holdings in the village. They were thus net lessors of land.

The category of “big tenant-capitalist” farmers contributed the most to capital accumulation in the village (Table 3). They constituted 26 per cent of households and owned 52 percent of the machinery owned by all cultivating households. The cultivators from the category titled “Other rich capitalist” farmers constituted 11 per cent of households and owned about 10 per cent of the machinery owned by all cultivating households.¹² Capital accumulation was high among capitalist landlords. On an average, each landlord household had invested as much as 5 million

¹² As revealed in the interviews, this was primarily because of their aversion to high indebtedness and or because of their engagement in other occupations leaving them limited time for farm supervision.

(50 lakh) rupees in the purchase of agricultural land in the ten years prior to the survey.¹³ They not only bought more land but also bought land of higher value than others. Although they constitute only 5 per cent of all cultivators, 62 per cent of the land purchased by cultivator households in the decade prior to the survey was bought by landlords. This period was, therefore, one in which inequality intensified.

By contrast, small-scale capitalist farmers, who constituted 34 per cent of cultivators, owned about 22 per cent of agricultural machinery in the reference year.

Capital accumulation among the poorest category of producers was negligible.

Table 3 *Distribution of agricultural land and machinery, by categories of cultivators, Tebang, 2011 in per cent and Rupees*

Categories of cultivators	As a proportion of all cultivator households	Average stock of machinery owned in the reference year (Rs)	Share of category in the value of all agricultural machinery owned in the reference year (%)	Average value of land bought between 2001 and 2011 (Rs)	Share of category in the value of land bought by all households between 2001 and 2011 (%)
Capitalist landlords	5.1	115,876	15.9	4,883,333	62.3
Big tenant-capitalists	26.5	75,282	51.6	507,339	33.5
Other rich capitalists	11.1	33,739	10	769	0
Small scale capitalists	34.2	25,649	22.3	47,925	4.1
Petty producers	23.1	415	0.3	2,074	0.1
All categories	100	38,405	100	401,799	100

Source: PARI data, FAS (2011).

The data bring out unmistakably the positive association between accumulation and the scale of operation. Since a very high share of operated land in the village (52 per cent on average) was

¹³ The primary motivation to invest in land is not to generate rent or profits from cultivation or leasing-out land but to make capital gains either via speculative trading or through commercial development of the land (as revealed by a landlord-capitalist himself during a personal interview).

leased-in land and leasing-in land was the most common method of increasing the size of operation, it shows that accumulation in this agrarian economy was tenancy-driven.

That leased land as a proportion of the total extent of operational holdings of land in Punjab has increased has been noted in the literature (Singh *et al.* 2017; Ohno, Fujita, and Vatta 2019; and Bansal, Usami, and Rawal 2018). Bathla and Kumari (2017) use NSS data to show that the period between 2001 and 2011 (which is also the period to which this study refers) saw investments in farm business increase from 37 per cent to 47 per cent of total farm capital expenditure in Punjab. Bhattacharya (2019) uses NSS Land and Livelihood Survey data for 2012–13 to show that large farmers dominate among tenants.

Capitalist Farmers as Lessees in the Village

Capitalist leasing is not new to the region and has been on the rise since the 1980s. Scholars who studied the agrarian economy of Punjab after a decade and a half of the Green Revolution saw a clear and distinct trend towards an increase in the average size of operational holdings, especially among big landowners, and termed the phenomenon “reverse tenancy” (Singh 1989; Grewal and Rangi 1981; Murty 2004).¹⁴ This was in sharp contrast to the pre-Green Revolution and early Green Revolution years when tenancy decreased substantially. Pure tenants, that is, farmers whose entire operational holding was leased in, were virtually extinct as a category by the early 1980s (Gill 1989).

Various reasons were suggested for the spread of “reverse tenancy,” the foremost being that it helped farmers cope with fixed costs incurred in the purchase of heavy and expensive farm machinery. Leasing in land was, it was argued, necessary to optimise the use of purchased machinery (Singh 1989; Murty 2004; Sidhu 2005). With the development of an active second-hand market for tractors and easy availability of formal and informal credit to buy heavy and expensive machinery, however, it became easier for big farmers to adjust the capital stock to the land operated by them rather than the other way round. Because of heavy competition among tenant-capitalists in the tenancy market, the availability of land for lease seemed a greater constraint to expansion than the availability of machinery or the capital to buy farm machinery.

¹⁴ This trend has been highly debated. There seems to be no consensus among academicians studying tenancy relations in India neither with respect to the extent and significance of reverse tenancy nor to the parameters chosen to study it. Different scholars have used different datasets and results from own studies to prove or disprove its existence. A review of this can be seen in Bansal, Usami and Rawal (2018).

Moreover, if tenancy was undertaken primarily to optimise the use of machinery, then the capitalists could be expected to stop leasing in land once the optimum mix (whatever that was) was achieved, which was not the case (as shown below).

Capitalist farmers, who produce almost exclusively for the market, continually strive to enhance the surpluses they appropriate from agriculture. In Tehang, they do this not only by intensifying farming (by means of intensifying the use of fertilizers, pesticides, irrigation and new machinery), but also, and more importantly, by the extension of household cultivation, mainly to new tracts of leased land. Many of the tenant-capitalist farmers I interviewed said that they leased more and more land not just to reduce unit costs by using their agricultural machinery (and their long-term workers) more efficiently, but also (and mainly) to ensure the growth of their total income from farming. The standard argument given by many tenant-capitalist farmers was as follows: Since yields have largely stagnated and minimum support prices are not high enough, and while the costs of cultivation in agriculture and the cost of living, in general, are rising, the only variable under our control that we can use to increase total profit is the area under operation

The decline in the rates of growth of farm incomes and profitability from cultivation among vast sections of cultivators in India has been widely discussed in the literature. Many farmers suffered an absolute decline in incomes.¹⁵ In Punjab, too, agriculture was characterised by a declining rate of profit from cultivation per unit of land. Farmers began to lease land in order to increase the area under cultivation. This increase, while helping them use their existing fleet of machinery optimally, also led them to buy more agricultural machinery and irrigation equipment to operate the leased land (and to employ workers to operate that machinery). Tenancy thus helped increase *total* farm business incomes of capitalist farmers in a period when farm business incomes *per unit of farmland* were declining.

Emigration and the Expansion of the Lease Market in Tehang

Large-scale emigration by landed Jat Sikhs of the Doaba region opened the doors for new forms of tenancy.¹⁶ Gill (1989) observes that it was in the 1980s, the period of heavy emigration, that

¹⁵ See AIKS (2017); Raghavan (2008); Kannan (2014); Chand, Saxena, and Rana (2015). For Punjab specifically, see Gulati *et al.* (2017) and Surjit (2008).

¹⁶ Within Punjab, the landed Jat Sikh caste from *Doaba* region has been the largest contributor to the Punjabi diaspora. This is rooted in their ability to gather resources to pay hefty fees to the agents who helped them move abroad, often illegally. Moreover, they also had members from their own caste who had already settled abroad as emigration from this region began in the latter half of the nineteenth century in the form of indentured labour and

the tenancy market, which had remained dormant in the decade following the Green Revolution, was reactivated. A rough estimate from the FAS survey indicates that not less than 40 per cent of the agricultural land in the village was owned by non-residents in 2011 which has only increased over the years. Rich Jat Sikh capitalist farmers had special and favoured access to this land by virtue of their social connections with the emigrant households.

Emigration affected the farmers who remained in the village in different ways. First, the emigration of a family member increased the land-person ratio and contributed towards the upward economic mobility of a household. Family members abroad sent substantial remittances on a regular basis and on special occasions. The inflow of remittances not only ensured that the household was less dependent on private credit but also ensured higher standards of living. Most households that received regular remittances built bigger, more comfortable houses.¹⁷

Secondly, the emigration of landowners who were members of their extended families helped farmers in the village secure leases at rents below market rates and for lease periods that were longer than usual. Thus, control over land, the most crucial means of production in agriculture, remained within their own – in this village, mainly landed Jat Sikh – caste and class. Land transactions are kept within the caste and, where possible, class. FAS data show that the average number of years for which land was leased from a non-resident Indian (NRI) relative was 15, while the median number of years for which land was leased was 5. Some tenants reported not paying any rent at all on land leased in from relatives settled abroad, while those who paid rent reported paying around Rs 30,000 per hectare per year. The going rate in 2010-11 varied between Rs 50,000 and Rs 62,000 per hectare per year.

By the time of the 2011 survey, it was clear that the group we have identified as big tenant-capitalists had captured the bulk of the NRI land lease market. Sixty per cent of the operational holdings of land of these households was leased from families that had emigrated or families whose main male earning member had emigrated abroad. Almost 80 per cent of the land leased in from NRIs was by this category of capitalist farmers (Table 4).

recruitment of Sikhs (particularly the Jat Sikhs) in the Imperial Army, many among whom sought their fortunes abroad after retirement from Army (Thandi 2017; Tata 2005).

¹⁷ The village had many bungalows and residential dwellings of modern architectural style, some of which were locked and inhabited by the foreign-retuned visitors only for a few days in a year.

Table 4 *Share and distribution of land leased in from NRIs in total land leased in, by categories of cultivators, Tehang, 2011* in per cent

Categories of cultivators	Share of land leased in from NRIs to total land leased in	Distribution of land leased in from NRIs to total land leased in
Capitalist landlords	46	6.1
Big tenant capitalists	70	79.8
Other rich capitalists	55	1.7
Small-scale capitalists	62.5	11
Petty producers	28.7	1.4
All categories	65.4	100

Source: PARI data, FAS (2011).

These big landowning cultivators, men of means as they are, engaged in intense competition and used various means to edge out smaller cultivators from the lease market. First, the competition for land led to a rise in the rent of the land, which discouraged small and marginal landholders from engaging in such a competition.¹⁸ Secondly, in order to capture land from NRI landowners, they sometimes offered to pay the full rent amount in advance and offered other incentives such as paying for the personal expenses – local travel, entertainment, and hospitality – of the landowners when they visited India. They offered to take care of the NRIs' homes in the village and pay their electricity bills (these charges were, of course, deductible from the land rent). If the lessor lived in a country where the lessee family had a member living, the lessee also offered to pay the rent in the currency of the country in which the lessor lived. These were incentives to the lessor that small farmers could not afford. Thirdly, when the lessors were village residents with small and marginal landholdings, tenant capitalists offered to pay two to three years rent in advance, guaranteeing that the lease would extend for a longer period than usual. Small cultivators were thus largely eliminated from the tenancy market. When they did lease in land, they were able to do so only from close relatives. Large-scale emigration thus contributed in a big way to capital accumulation among large capitalist farmers in the village.

Apart from large-scale emigration, accumulation among capitalist farmers in the village was facilitated by various other factors that characterise capitalist agriculture in the *Doaba* region.

¹⁸ There was an enormous 75 per cent increase in median level of annual rent from 50 thousand per hectare to 86 thousand within 8 years between 2011 and 2019.

These include favourable production conditions (adequate rainfall, a high groundwater level and private investments in irrigation systems); assured procurement of wheat and paddy by the state through a well-established system of commission agents in nearby farmers' grain markets at fixed and pre-announced prices; access to the labour power of low-wage migrant workers from Bihar, Eastern Uttar Pradesh and Jharkhand; an active market for renting and sale and purchase of new and old machinery; and easy access to credit from both formal (commercial banks and cooperatives) and informal sources (commission agents) for their working capital and fixed capital requirements at affordable rates of interest (that is, compared to those prevailing in the informal sector in other States).¹⁹

Discussion

In recent years, tenancy has become the means for the extension of cultivation and new absolute levels of income among rich capitalist farmers in the village. The section of the population that had access to money and social capital, state patronage, and control over migrant labour also became the predominant lessees of land. The big tenant-capitalists, in other words, came predominantly from the top landowning castes and classes of the village. In Tehang, cultivators from the agricultural castes (especially Jat Sikhs) were almost sure to be capitalist farmers, while cultivators from Dalit and other caste groups were likely to be petty producers or landless workers. Instances of socio-economic mobility that broke caste barriers were exceptional and closely associated with successful international migration and patronage from fellow members of the caste.²⁰

Changes in the Agrarian Economy: Evidence From 2019

The FAS data from 2011 showed very high levels of concentration of land and wealth in the hands of big capitalist farmers from the dominant castes. The data from 2019 suggest an exacerbation of concentration of land ownership in the hands of the big tenant-capitalist farmers.

¹⁹ See Sinha (2020) for more on farmer-arthiya relationship.

²⁰ The only case where a landless cultivator from Kamboj caste was grouped under the big tenant-capitalist category was because he cultivated jointly with his brother, who owned 0.7 hectares (1.72 acres) of land. They had together leased in around 8 hectares (21.5 acres) of land for cultivation from their three NRI relatives who had been leasing-out to them since the 1970s and at rental rate much lesser than the on-going rate in the village. Another case of socio-economic mobility is discussed in the next section.

Eleven cultivators from the category of big tenant-capitalist farmers in 2011 were part of my sample in 2019. The average size of their operational holdings grew from 11 hectares in 2011 to 18 hectares in 2019 (Table 5). The extent of land leased by them almost *doubled* between 2011 and 2018. A big tenant-capitalist who owned 3.5 hectares of land had leased 60 hectares (150 acres) of land in three different villages in 2019, an increase of 44 hectares from 2011 when he leased 16 hectares. This household had also bought two new tractors, other heavy and new agricultural machinery in the preceding few years, and significantly expanded its milk-selling business. The farmer's strategy was to keep increasing the size of his operational holding by leasing in more and more land rather than buying land; given the very high price of land in the village, his agricultural income was not adequate to extend cultivation through purchase.²¹

Table 5 *Average size of operational holdings among sampled households, by categories of cultivators, 2011 and 2019, Tehang* in hectare

Categories of Cultivators (as per 2011 data)	Count of HH surveyed (2019)	Difference in the count of HH who lease in land*	Average size of land operated (2011)	Average size of land operated (2019)
Capitalist landlords	4	-1	16.6	17.0
Big tenant-capitalists	11	-3	11.2	18.1
Other rich capitalists	4	3	3.9	6.1
Small scale capitalists	10	3	2.5	4.1
Petty producers	5	2	0.8	3.1
Non-cultivators	7	1	0	3.3

²¹ As remarked by one of the respondents on his attitude towards buying land: “*Kbeti di kamaainaal zameen layen abibo sakdi. Zameen aajkal do hi log khareed sakde hai- ik blackiya duja vilaayatiya*” (It is impossible to buy land only with agricultural income. Only two kinds of people are able to buy land – either black money holders or the NRIs). In Tehang, the average price of an acre of land purchased in 2010 was Rs 20 lakhs or 2 million. Chakravorty (2013) notes that land prices in Punjab are twenty to thirty times higher than the national average. One of the prominent reason, he states is the demand by NRIs for real estate.

All Categories	41	5	6.9	9.9
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Note: * This column shows the change in the count of households who lease-in land in 2019 as compared to the 2011 data among the households sampled in 2019.

Source: For 2011, PARI data, FAS. For 2019, primary field survey by author.

Another change that occurred between 2011 and 2019 was an increase in the operational holdings of cultivators in the small-scale capitalist and petty producers categories (Table 6) on account of leases taken by these households. In 2011, none of the 10 small-scale capitalist cultivators in my sample leased in land; in 2019, three of them did. Some petty producers too were able to breach the barriers to entry to the tenancy market; the average size of operational holding in the category increased from 0.8 ha. in 2011 to 3.3 ha in 2019. Most of the land leased in by these two categories (75 per cent) was from relatives who had emigrated or working abroad.

Among petty producers, there was a particularly interesting case, that of a Jat Sikh cultivator who owned and operated 2.5 acres (1 ha) of land in 2011 and leased in 20 acres (8 ha) in 2019 from one of the village landlords, who had emigrated to Canada. As they were from the same family, the tenant paid a lower rent than the prevailing market rate and also bought the landowner's stock of agricultural machinery at a relatively low price. He used the new surpluses to further enhance the size of his operational holding, leasing in an additional 7 acres (2.5 ha) from another NRI lessor.

Therefore, although the concentration of land in the hands of the big tenant farmers has continued, smaller capitalists have not been completely expropriated from the land.

Table 6 *Changes in the operational holdings, by categories of cultivators, Tehang, 2011 and 2019 in number*

Categories of Cultivators (as per 2011 data)	Count of households				Total
	Increased area under operation (2011–19)	Decreased area under operation (2011–19)	Left cultivation (2011–19)	No change in area under cultivation (2011–19)	
Landlord-capitalists	1	2	1	0	4
Big tenant-capitalists	7	3	0	1	11
Other rich capitalists	4	0	0	0	4
Small capitalists	5	2	2	1	10

Petty producers	4	0	0	1	5
Non-cultivators	2	0	0	5	7
All categories	23	7	3	8	41

Source: For the year 2011, PARI data, FAS. For 2019, primary field survey by author.

In such a scenario, the changes in the political landscape can have an important bearing on the agrarian situation in Punjab. Punjab government recently came up with a draft Punjab Land Leasing and Tenancy Bill, 2019 which is set to repeal six existing tenancy laws to help “liberalise” the tenancy market (GoP 2019).²² This decision showcases the increasingly pro-capital stance of the Punjab and Indian State under the neoliberal regime which has moved away from its responsibility of securing land tenures for small tenant farmers to advocating free and unrestricted functioning of tenancy market without regulation by the state (GoI 2016; GoI 2018). This is expected to fasten the process of differentiation and concentration of capital by giving the class of resourceful capitalist farmers and big agribusiness capital a legitimacy and may also put tremendous pressure on the rural economy by exacerbating the already high and increasing rural inequality and distress.

SUMMARY AND DISCUSSION

There exists an important body of literature on India’s rural economy that deals with the agrarian crisis, and the crisis of capital accumulation and the rural poor in the countryside. which has adequately highlighted the persistence in the severity of existence and reproduction of a vast majority of rural households even in the post 2004-05 period. Some studies of agrarian crisis emphasise that it has had a differentiated impact across agrarian classes.²³ This paper, which studies aspects of capital accumulation by capitalist landlords and other farmers, attempts to contribute to that literature.

This paper uses data from two surveys, a census type survey conducted in 2011 and a sample survey conducted in 2019.

²² This change is aimed to encourage the entry of the corporations and private agribusiness in cultivation, processing and other aspects of Indian agriculture while arguing that it would make agriculture a viable option for small and marginal farmers as well (Gulati *et al.* 2017). The bill has been discussed at length by Sukhpal Singh at <https://frontline.thehindu.com/the-nation/article31658098.ece?homepage=true>.

²³ See, for instance, Ramachandran (2011), Athreya (2013), Lerche (2014) and CPI(M) (2016).

The economy of the village was characterised by high levels of concentration of ownership and operational holdings of land and other means of production in the hands of the rural rich. This concentration of wealth intensified between 2011 and 2019.

One group among the rural rich, tenant-capitalist farmers (who comprised about 0.04 per cent of all households in the village and 26.5 per cent of cultivating households in the village) have been the most upwardly mobile in terms of acquisition of means of production and extension of operational holding of land.

Punjab agriculture is characterised by stagnation of agricultural productivity and downward pressures on per hectare incomes from cultivation. In such a scenario, a group of big landowning capitalists seized the opportunity to enhance their *total* incomes by extending their operational holdings by leasing land. This opportunity was created by large-scale emigration to the developed countries, mainly from landed Jat Sikh households.

Capitalist farmer households in Tehang were best placed to take advantage of the new opportunities for leasing land because they had had ties of caste and kinship with the emigrants who sought to lease out their land. These households also had a reliable base in cultivation, further facilitated by their access to relatively cheap labour of migrant workers, an active market for purchase, rent and sale of new and old machinery, assured procurement by the state and credit at affordable rates of interest.

Tenancy thus provided an impetus to accumulation and investment in the capitalist agriculture of Punjab, accumulation that was dependent more on the extension rather than the intensification of farming and agricultural production. Big tenant-capitalist farmers have been spearheading the process of surplus appropriation, accumulation, and extended reproduction in rural Punjab. The argument of this paper is that continuing agrarian accumulation in Punjab in the contemporary period can be characterised as *tenancy-driven accumulation*.

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