



# DIFFERENTIATION OF PEASANTRY IN PUNJAB IN RECENT YEARS

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## **Abstract**

With the rapid development of Punjab agriculture particularly after the LPG reforms of 1991, capitalist development i.e., the accumulation at one pole of agrarian capitalists and at the other, agricultural labourers has gained pace. The following paper is an attempt to trace out the dominance of agricultural labourer in agrarian scenario of Punjab, increased accumulation of capital by agrarian capitalists. The paper would attempt to trace out the picture of rural Punjab which is continuously being divided into two extreme ends as mentioned above and on the basis of the argument of class differentiation in Punjab peasantry, the paper attempts to suggest alternate policy measures for the changed scenario.

## **1. Introduction**

It is futile to talk about the growth trajectory and future trajectory of the Punjab economy without taking into consideration the agricultural sector of Punjab, despite its declining share in the total GDP and employment over the years, especially the post reform years and the very recent past. It has been the understanding of a strand of economic theory that in order to comprehend the overall state of the economy or a specific sector, it is paramount to take into account the relationships formed by the immediate producers with the owners of the means of production in the process of production. Ever since the economic reforms came into force in 1991, the agricultural sector in the state of Punjab has have witnessed enormous changes. The most significant amongst them can be said to be the transformation of production relations in agriculture and the growing incidence of wage labour and accumulation of capital in this economic domain. This transformation is well-documented in economic literature pertaining to Punjab and has been highlighted by mainstream scholars as a potential source of social unrest and has actually given way to social movements ranging across various ideological frameworks. Addressing this issue requires policymakers to consider these evolving class dynamics in the agricultural sector. This paper aims to demonstrate, with ample empirical data, how the differentiation of peasantry in Punjab's rural areas has gained pace since the LPG reforms of 1991.

Consequently, the traditional policy measures aimed at reforming the agriculture sector have become obsolete, as they were originally based on a monolithic view of the agricultural sector.

## REVIEW OF LITERATURE

**Patnaik (1971)** found out on the basis of a survey of 10 districts in 5 states that there was growth of capitalistic mode of production in India. She had said that there was production for the purpose of generation of surplus value on ever expanding scale. She defines capitalist farmer as rich peasant who can generate an investible surplus and has access to credit and similarly intensifies operations, employs more wage-labour and moves up the economic scale. She also talks about symptoms which led to capitalistic development like presence of large force of agricultural labourers before Independence.

**Thorner (1982)** noted that tenant and sharecropping adapted to the needs and requirement of capitalistic mode of production in India. He also noted that growth of capitalistic relations in agriculture is related to change in the form of exploitation and there was significant shift in exploitation from tenancy to hired labour.

**Gill (1989a)** writes about the changing land relations in Punjab and their implications. He writes that even though land reforms were not implemented at their full volume but they altered the agricultural scenario in Punjab. He concluded that land reforms adopted after Independence were to change land relations, which were constraints to development of forces of production, to suit capitalistic mode of production. Gill sees collectivization of land as a method of protecting poor peasants from the capitalist competition in agriculture.

**Gill (1989b)** points out the major differences between Indian and Pakistani Punjab. After the partition, Indian Punjab initiated land reforms to eliminate absentee landlords between cultivators and the state as there was larger use of hired labour in Indian Punjab. He also discussed the infrastructural differences between both the Punjab states like availability of electricity for alternate irrigation facilities, connectivity of market through roads, literacy rate, credit sources, etc. He concluded that economic development of a region depends upon three things: earlier economic base of society, role by state, people response to former two factors and hence Indian Punjab performed better than Pakistani Punjab.

**Singh (1989)** examined the trend of reverse tenancy in agriculture of Punjab that happened due to technological changes. He observed that from mid-sixties to 1982, there was tremendous technological growth. Use of electricity for irrigation, use of fertilizers and use of machinery increased manifold. By this use of technology there was change in nature of tenancy from pre capitalist to the capitalistic one. This study also points out the differences between the tenancy patterns in backward and forward regions.

**Jodhka (2006)** discussed about the changes in Punjab agriculture after the advent of green revolution in Punjab. In his paper he talked that there are internal caste and class differentiation within agriculture. He also discussed about the transformation of society, culture and politics with the capitalist relations in agriculture of Punjab. He noted that big farmers invest their surplus in non-agricultural sources. He pointed out the change in proportion of cultivators from 46.56 per cent in 1971 to 22.60 per cent in 2001 and showed that the absolute

number of small farmers, declined from 260083 in 1970-71 to 183453 in 1995-96 and of marginal farmers declined from 517568 in 1970-71 to 203876 by 1995-96.

**Sidhu (2005)** talked about structure of Punjab agrarian economy, the nature of tenancy, and employment prospects of agricultural labourers. He noted that tenancy now has become a fixed cash tenancy. He further pointed out that between 1965 and 1980-81, the number of marginal and small farmers declined sharply in Punjab as the new technology fits the large farm size so it was uneconomical to use it on smaller pieces of land. He also talked about the change in class structure by showing that the proportion of agricultural labourer in agriculture increased from 12 per cent of total agricultural workforce in 1951 to 32 per cent in 1971 and 40 per cent in 2001.

**Singh and Bhogal (2014)** stated that capitalistic mode of production started in Punjab with the advent of green revolution. They argued that capitalistic mode of production turns out to be non-viable for the small peasantry. They noted that there is a continuous decline in the proportion of cultivators. Depeasantization in Punjab started since 1991 and the small and marginal peasantry is shifting from agricultural to non-agricultural sectors. The poor peasants are compelled to sell out or lease out their land and have to start working as wage labourer.

**Kumar (2015)** examined the British policies in Punjab of colonial period from 1849-1901. After the annexation of Punjab, British started various reforms for their own interest and provided concessions in land revenue, improved irrigation system, improved transport system, etc. British made it compulsory to pay land revenue in cash, they established canal colonies which made it possible to cultivate barren lands of west Punjab. Under colonial rule there was development in agricultural technology. High yield varieties and some cash crops like tea, flax and indigo were introduced. Punjab started to cultivate those crops which had higher profitability in the market. Due to this shift, Punjab which was earlier not able to feed its population on its own production, became the exporter of grains.

**Bansal (2020)** sheds lights on tenancy relationships and capital accumulation in Punjab agriculture. He found that the productivity of agriculture in Punjab has slackened, so big landowners resorted to increase their total incomes by increasing the area under operation through leasing in land. He showed that emigration also contributed to leasing out of land by emigrates, big tenant capitalists contributed the most to capital accumulation in a village and also that there is inequality in land holdings as there is a continuous trend of concentration of land to big tenant farmers along with the existence of smaller capitalist farmers.

**Jodhka (2021)** pointed out the agricultural history of Punjab from British era to post independence era. British focused more on Punjab for agriculture because of the river water. After the green revolution, Punjab agricultural growth topped all India. Through this story of Punjab author talks of the change in Punjab agriculture like change of cropping pattern, changes in caste, class and employment. In early years of green revolution, there was increase in labour demand, initially for local labour and then for the migrants when local wages started increasing but after 1991 there is less demand of labour due to mechanization.

Thus, we have seen that the root of societal change arises out of forces of production. After the British annexation, initially, they suppressed the seeds of capitalistic change while in later phase of colonialization, they introduced capitalistic relation in agriculture of India. After independence, state policies like land reforms, consolidation of land etc., contributed to set a conducive environment for development of capitalistic relations. Land reforms changed the societal base of Punjab. There are changes in tenancy in Punjab agriculture, changes in cropping patterns, and in composition of workforce engaged in agriculture of Punjab. The number of cultivators is declining whereas that of agricultural labourers is increasing. There is decline in the number of marginal and small farmers, the farmers are exiting the agriculture and bigger\ rich farmers investing in non-agricultural areas. Bigger share of marketed surplus comes from bigger farmers in Punjab.

## Research Methodology

The paper relies primarily on secondary sources of data. Data has been sourced from the 'Punjab Economic Survey 2021-22' published by Economic and Statistical Organisation, Department of Planning, Government of Punjab. The data is also supplemented by various other sources where needed. The selected timeframe for this paper corresponds to the post-1991 period, marked by the official announcement and earnest implementation of the New Economic Reforms in India. The choice of this period stems from the heightened polarization in agriculture during this time, making it a focal point in academic and mainstream research. The analysis of the provided data relies on fundamental statistical methods such as simple and compound growth rates.

## Results and Discussions

The extent of differentiation can be gauged by taking into account two key variables -:

- The extent of actual landlessness. This points not merely to the increase in extent of agricultural labour in the agrarian sector but also the concentration of land (particularly in the sense of operational landholding) in few hands.
- The accumulation of capital. This serves as an indicator of the expansion rural capitalist farmers or to say in laymen terms, the rich peasantry and the growing accumulation of capital, signifying the escalating influence of capitalist farmers in the agricultural sector, as they are the sole stratum capable of significant accumulation.

## A) INCREASING LANDLESSNESS IN PUNJAB AGRICULTURE

Categories\Households	Number of Households	Percentage share of Households
Landless	5163	67.32
Land Owners	2506	32.68
Upto 2.5 acres	576 (22.98)	7.51 (22.98)
2.5 to 5 acres	707 (28.21)	9.22 (28.21)
5.0 to 10.00 acres	653 (26.06)	8.51 (26.06)
10.00 to 15.00 acres	239 (9.54)	3.12 (9.54)
Above 15.00 acres	331 (13.21)	4.32 (13.21)

Table 1 – The extent of landlessness in Punjab’s rural region

Source: FAO (2007)

The above table clearly shows the extent to which landlessness has become prevalent in the rural agrarian scene of Punjab. The share of landless households in total households is 67% while that of landowning households merely 32%. Further in the landowning households the share of farming households above 10 acres is nearly 23% i.e., one fourth of the total landowning households. The tremendous share of landlessness clearly points to the proletarianisation or conversion into rural and agrarian labourers of the peasantry. This trend further gained pace as can be seen clearly from the data presented in Census 2011 and various other publications like ‘Agricultural Statistics at a Glance’ released by the Government of India.

## B) The Accumulation of Capital

The most effective indicator for gauging the growth of a capitalist class in any sector is the rise in various inputs particularly modern machinery as that is the most reliable indicator of increased investment in that particular sector. As the extended investment can only be made by the capitalist class in any sector, as only that class has the requisite resources at its disposal therefore the rise in modern machinery and inputs in a sector point clearly to capitalist development and the existence of such a class that gives impetus to such development.

Name of Machinery	2000-01	2019-20
Tractors	395	477
Disc-harrow	255	262
Seed cum fertilisers drills	180	145
Combine harvester (Self-Propelled)	2.9	8
Combine harvester (Tractor driven)	5.1	4.3
Threshers	285	88
Tube wells	1062	1475

Table 2: The rise in modern machinery in Punjab (Each figure in thousands)

Source: Punjab Economic Survey (2021-22)

The above table clearly indicates the decrease in traditional machinery as well as the increase in modern machinery in Punjab agriculture. This clearly could not have occurred without increased investment outlays. Thus, this clearly indicates the existence and proliferation of the class of agrarian capitalists in the Punjab rural economy.

Punjab agrarian economy has also seen a tremendous rise in the total production and productivity of major crops over the past two decades as well as an increase in the use of electricity for agriculture (Punjab Economic Survey 2021-22). Alongside this one can also discern a clear pattern of increased irrigation facilities particularly electricity driven tubewells (Punjab Economic Survey 2021-22).

This increase in production and productivity plus the increased use of electricity is nothing but an indicator of an increased capital investment in Punjab's agriculture which clearly points to the existence of a class which is undertaking these investments. This class can be no other than that of the agrarian capitalists.

### **Conclusions and Policy Implications**

From the data presented above it can be concluded that a) the increasing landlessness point to the ruin of a section of the middle strata of agrarian population and additionally to the growth of agrarian labourers in Punjab agriculture b) the increased use of modern machinery points to increased investment outlays which is nothing but a proxy for the existence of a class of agrarian capitalists. Thus, what is true for India is also equally true for Punjab agriculture that is the differentiation of peasantry into agrarian wage workers at one pole and agrarian capitalists at the other. Therefore, the policy implications which follow are -:

- As Punjab's agrarian scene is being continuously differentiated into classes with opposing interests therefore the policy of planning for the entire agricultural sector as a monolithic unit is becoming redundant, to say the least



- The increasing prevalence of wage labour in agriculture highlights the need of safeguarding this section given its vulnerability within the broader Punjab economy. This vulnerability along with other things is also due to the seasonal nature of the work and its informal character.
- The government should implement measures to guarantee reasonable working hours, workplace safety, social security initiatives, holidays, and other essential protections for agricultural laborers.
- To improve the living conditions of the rural population in Punjab, particularly for wage laborers and impoverished peasants, the government should focus on providing fundamental infrastructure related to education, health, transportation, recreation, and other essential services.

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