

PREFACE, ACKNOWLEDGEMENTS AND DEDICATION

This project has grown from an enquiry into the spread of the Green Revolution in the seventies, through one into the regional upstream and downstream linkages of agriculture ten years later to one examining long term changes in the rural economy and the impact of development policy on rural people in the nineties. Research networks and interests have meant that it has evolved from a project run jointly by teams from the Centre for South Asian Studies, Cambridge University and the Department of Economics of Madras University; through one run jointly by the International Food Policy Research Institute in Washington (IFPRI) and Tamil Nadu Agricultural University (TNAU); to one run from the Madras Institute of Development Studies (MIDS) jointly with Queen Elizabeth House, Oxford University (QEH).

North Arcot District in Tamil Nadu was originally selected because it was a relatively poor region, with a semi-arid tropical climate and an agrarian structure dominated numerically by small scale **ryotwari** producers, often called - without derogatory intent - 'peasants'. (In these research projects they have also been called 'cultivators', 'farmers' and 'petty commodity producers', just as 'landless agricultural labourers' are also referred to as 'wage workers', 'landless peasants' and even 'proletarians' and 'direct producers' since the theoretical worlds informing this research over the last three decades have been many and various.)

Tenancy in North Arcot District was and is negligible. Along with the Kaveri Delta, North Arcot was one of Tamil Nadu's rice bowls. Eleven villages on the eastern Coromandel Plain side of the district were randomly selected in 1973; stratified by physical accessibility; population size and the ratio of agricultural labourers to cultivators. One of the villages studied at much wider intervals ever since 1916, when Gilbert Slater, teaching in Madras University, insisted that his economics students had field experience - the village of Dusi - was also included as it is sited on North Arcot's eastern edge. Another of the villages was the site of detailed economic anthropological field work in 1973. Agricultural markets over the entire district also came under scrutiny. A core of data collected in 1973 was collected again in 11 villages in 1982-3 and also in a subset of five (recovering from severe drought) in 1983-4 as part of the TNAU/IFPRI data base for a regional social accounting matrix - thereby enabling agrarian economic change to be tracked in a systematic way over two decades. We replicated the field study in 1993-4, re-censusing the 11 villages, and studying three in which the central core of information was updated and our own enquiries were given expression.

In 1972 the region was famous in scholarly circles for the epidemiological field studies run from Christian Medical College, Vellore. Now of course several books on aspects of the rural economy exist ¹ and papers from the three rounds of

¹1. (ed.) B.H. Farmer, 1977, *Green Revolution?* Macmillan, London; B. Harriss, 1981 *Transitional Trade and Rural Development*, Vikas, New Delhi; J. Harriss,

projects published in journals and edited collections will be counted in the hundreds. A major intellectual spin-off, not reported here because not funded by DFID under the 1993-4 round, has been the study of business in Arni town each decade.² Thus the project has not only grown, it has been fertile and multiplied.

1982 *Capitalism and Peasant Farming* Oxford University Press, New Delhi; P. Hazell and C. Ramasamy with others, 1991, *The Green Revolution Reconsidered*, Johns Hopkins, Baltimore and N. Bliven, C. Ramasamy and S. Wanmali, 1994, *Developing Policies to Help the Poor in South India*; (IFPRI, Washington) and on nutritional and health issues in subsets of the villages and ones nearby from field projects closely interconnected with our research: B. Harriss, 1991 *Poverty and Child Malnutrition in South India* New Delhi, Sage; S. Gillespie and G. Mc Neill, 1993, *Food, Health and Survival in India and Developing Countries*, New Delhi, Oxford University Press and S. Erb and B. Harriss-White, 2001, *Outcast from Social Welfare: Disability and Incapacity in Rural South India*, Books for Change, Bangalore.

²2. See B. Harriss and J. Harriss, 1984, 'Generative or Parasitic Urbanism?', in (eds.) J. Harriss and M. Moore *Development and the Rural Urban Divide*, Cass, London; B. Harriss, 1991, 'The Arni Studies', in (eds.) Hazell and Ramasamy; K. Nagaraj, D. Jayaraj, S. Janakarajan and B. Harriss-White, 1996, 'The Development of Silk Weaving in Arni Town and its Environs', paper to the Workshop on Adjustment and Development: Agrarian Change, Markets and

The region is now famous. But this fame has its own ironies. The most developed village has been favoured with attention from a fertiliser company and now has a teacher training institute on its dryland. In 1993-4, the wealthiest household there had an estimated \$150,000 of assets while the poorest had \$6.³ The least developed village is neglected by the state and has changed but little over 20 years.

The two agricultural policy issues which focussed the research in 1973-4 were the extent of adoption of High Yielding Varieties of rice and their social impact. The adoption of HYVs was found to be one third of what was officially claimed in government statistics.⁴ The project also obtained important hydrological evidence of a secular lowering of the water tables.⁵ It warned of increases in

Social Welfare in South India 1973-93, Madras Institute of Development Studies / Queen Elizabeth House, Oxford; and E. Basile and B. Harriss-White, 1999, 'Accumulation and Corporatist Capital in a South Indian Town', www.qeh.ox.ac.uk; working paper no 34.

³3. Which might have happened of course without selection as a 'model village'.

⁴4. Chinnappa, B. M., 1977, 'Adoption of the New Technology in North Arcot District', in Farmer (ed.), *Green Revolution?*, pp. 92-123.

⁵5. Maddumma Bandara, C. M., 1977, 'Hydrological Consequences of Agrarian

income inequality already brought about by HYVs ⁶ (which may have been among the many forces which led both state and central government to take various kinds of pre-emptive action). And it gave a warning of the indirect control over production by traders' credit (against which the official Credit Plans for the district have subsequently pitted themselves).

From 1973-1983/4, rice production had doubled, due both to yield intensification and to multiple cropping. Whereas in 1973, only 13 per cent of paddy area was under HYVs, and adopted by the largest farmers, by 1983 adoption was generalised and scale neutral. But HYVs did little to increase agricultural employment; wages had certainly risen, but those for women by only half as much as male wages. ⁷ HYV adoption increased the incomes - and the real consumption expenditure - of agricultural producers and labourers by 30 per cent, and indirectly raised those of producers in the non farm economy by 20 per cent. ⁸ By then it

Change', in Farmer (ed.), *Green Revolution?*, pp. 323-39.

⁶Chinnappa, op. cit.

⁷Hazell, P., et al, 1991 a, 'Economic Change among Village Households', chapter 3 in Hazell and Ramsamy, *Green Revolution Reconsidered*.

⁸Hazell, P., et al, 1991 b, 'An Analysis of the Indirect Effects of Agrarian Change on the Region Economy', chapter 8, in Hazell and Ramasamy, *Green*

had also become clear that inter-village diversity had led to inter-village differentiation in development over the first decade, 1973-83/4. The distribution of land showed complex and contradictory patterns, challenging any one theory of social mobility, though the concentration of land ownership was greatest in the poorest villages.⁹

In 1983-4 the policy issues concerned not only the direct impact of technical change but also its indirect multiplier effects : notably the capacity of agriculture to generate local non-farm production and consumption linkages. Using a social accounting matrix, the project found linkages from agriculture to the local non farm economy which were much weaker than expected, and to government and agro-business which were much stronger than expected.¹⁰ It was predicted that

Revolution Reconsidered.

⁹J. Harriss, 1991 a, 'The Green Revolution in North Arcot: Economic Trends, Household Mobility and the Politics of an 'Awkward Class'', chapter 4;1991 b, 'Population, Employment and Wages: a Comparative Study of North Arcot Villages 1973-83', ch 6, in Hazell and Ramasamy, *Green Revolution Reconsidered.*

¹⁰10. Hazell, P., et al, 1991 c, 'A Social Accounting Matrix of the Regional Economy 82/84', chapter 7, in Hazell and Ramasamy, *Green Revolution*

real rice prices would remain stable, that both within agriculture and in the non farm economy the trend towards diversification would continue (the project predicted increased output of vegetables, flowers, fruit, milk production and sericulture), and that water supply would become increasingly constraining.¹¹

In 1991, North Arcot District was split horizontally and the new, southern, Tiruvannamalai District found itself underindustrialised and relatively underdeveloped with a relatively impoverished, predominantly agrarian resource base. After the droughts of the mid 80s, and beset by environmental problems caused by hydrological stress, growth in the agricultural economy was believed to have faltered and the rural economy was known to have diversified but contrary to what had been predicted - in the direction of rainfed cereals and labour-sparing crops. However, the degree of experimentation with water conserving technology (percolation tanks, check dams, tank repair and maintenance) was unknown. The northern split district (initially known as Ambedkar but now as Vellore) straddles one of the most infrastructurally, commercially, agriculturally and industrially advanced zones in India with a dense reticulation of towns and strong rural-urban linkages. The market town of Arni, serving a hinterland of some 100 villages

Reconsidered.

¹¹11. Hazell, P., et al, 1991 d, 'Conclusions and Policy Implications', chapter 11, in Hazell and Ramasamy, *Green Revolution Reconsidered*.

(including three of those randomly selected for our project), has grown from 39,000 people in 1973 to 49,500 in 1983 , 56,000 in 1991 to an estimated 80,000 now. Well south of the dynamic Madras-Bangalore corridor, not connected by rail and poorly served by road and other hard and soft infrastructure, it nevertheless magnetises investment from its rural environs and elsewhere.

We set out to track agrarian change for 1993 as it had been tracked for 1982-4, but with three differences:

i) the 1993-4 research round had a more limited spatial focus, excluding the villages in Ambedkar District and those in Tiruvannamalai District outside the retail hinterland of Arni. This left us with three of the original eleven villages, now not randomly selected, but representing varied levels of development within Arni's region: Nesal - (John Harriss' "Randam"), large, accessible, developed and well-irrigated; Vinayagapuram: medium, remote, agrarian with canal irrigation; and Veerasambanur: small, remote, underdeveloped and poorly irrigated.

ii) the agricultural economy had been undergoing diversification, while the surveys had hitherto focussed on rice cultivation (and to a lesser extent groundnuts). A record of agrarian change could now not avoid studying diversification. We expected to find three types: occupational diversity in households; cropping patterns on land; and rural but non agricultural sectors of the economy. We proposed to examine the roles played by poverty in forcing

diversification - and by wealth in inviting it.

iii) village level studies would be put to use to examine the impact of the macroeconomic reforms on the semi subsistence rural economy and the micro-level. By late 1992, structural adjustment had affected taxation reform, the public, financial and corporate sectors, trade and exchange rate policies.¹² With respect to agriculture, the unfavourable economic environment inherited from the eighties was characterised by declining agricultural growth rates, declining employment elasticities and a movement away from public investment in agriculture towards subsidy-based development. Structural adjustment had been predicted to affect the rural economy through a reduction in inputs and infrastructural subsidies, the evolution of a less (if not de-) regulated price structure towards that of 'the world market', and a reduction in social expenditure, involving the provision of a more highly targetted safety net of social welfare interventions for the rural poor. Last but not least the rural sector was predicted to be *residualised*, both through 'rural-urban interaction' and through urban biases in public expenditure and the sequencing of public policy.

And by 1993, structural adjustment had indeed already had an impact on price

¹²12. Analysed in detail in Cassen, R., Joshi, V. and Lipton, M., (eds.) 1995, *India: the Future of Economic Reform*, Oxford University Press, Delhi.

structures in Tiruvannamalai District. From 1992-3 the price of coarse rice (previously taxed in relation to world market prices) had shot up by 33% to Rs 6.5 a kg,¹³ groundnuts (previously protected) had slumped by a similar proportion to Rs 18 per kg; the partial lifting of fertiliser subsidies had resulted in a trebling of potash prices (to Rs 255/50kg in 1993 and a doubling of the phosphatic fertiliser price (to Rs 360). Subsidies on pesticides, production credit and electricity (the latter free of cost to producers) and on publicly distributed rice (retailed at Rs 2.75/kg) were being threatened with reductions or removal.

Yet although DFID had funded our project as being relevant to the agenda of structural adjustment in India, we had to face the fact that the anticipated policy adjustments had not materialised by the time of fieldwork. As the reader will already know, the predictions of - and the arguments for - radical policy change had not reckoned with the obstinate resistance of state governments to measures threatening rural votes. No big bangs in India. By 1993-4, fertiliser subsidies had had to be partially re-imposed. Agricultural credit was slow being deregulated. Electricity remained free to agricultural producers. The Public Distribution System of subsidised foodgrains had not been streamlined and targeted, nor had its issue prices changed very greatly.

¹³13. Thereby fulfilling Hazell and Ramasamy's prediction that rice prices would be (long term) stable.

So where policy had *not* ‘adjusted’ by 1993-4, where there was no ‘impact’ to trace, we made an audit of existing policies on the economies and societies of these villages. Some policies, such credit, anti poverty policy, food and nutrition and education have been well studied in villages elsewhere.¹⁴ Others have not. The villages also offered surprises: village land and paths stinking like latrines as never before,¹⁵ stagnant agriculture, tragic declines in female status, the role of disabling incapacity in downward mobility and poverty, the enduring control of merchants’ capital even as the economy diversifies. A number of policies affecting peoples’ safety and security commended themselves. These interventions are all particularly vulnerable to the incremental expenditure cuts which states are under such extreme pressure to make - to which the local state government has put up opposition. We looked at ‘infrastructure’ - in this case not roads but drinking water and sanitation, without which neither economic nor social/human development can take place. We evaluated the skeletal social security system targetted at poor people, which Tamil Nadu governments have made especially their own. We looked at how the state responds to the worryingly large proportion of adults who become incapacitated from work and disabled, and

¹⁴14. See particularly Lanjouw, P. and Stern, N., (eds.) 1998, *Palanpur: Five Decades of Economic Development*, Clarendon, Oxford.

¹⁵15. And not because of the ammonia in fertiliser....

what it does about the increasingly anti-female bias in life chances in what used to be a region where women had relatively high status.

The resulting book has three parts: in the first we look at long term change, in the second at policy affecting production and in the third at policy affecting social welfare. The busy policy-maker will get the gist of its contents from the first and last chapters and the introduction to part two.

The contents of this books are essays - attempts and compositions - using approaches from development economics and political economy. As compositions they are varied. Some are constructive, like the essays on poverty targeting, and on social security and its reform. Others are critical (water and infrastructure, electricity, the life chances of girls, education, corruption). They experiment, particularly with approaches to evaluating policy, given the natures of findings and the hands and minds which have joined the team and helped.

Our essays suffer from not being written after months at a stretch spent by the writers in these villages, for which there is absolutely no substitute. Even the field investigators had to commute at times from local towns, though the richness of their village diaries amply testify to their commitment. The division of labour between those running the project was as follows: S. Janakarajan was overall responsible for the three phases of the detailed field survey in three villages and the later censuses in eight more, trained and managed the field team, watched over

data entry in Chennai, visited the fieldworkers regularly in the course of his own field research into rural contractual arrangements, which forms a separate study;¹⁶ and developed spin-off research into water table depletion and water management. Barbara Harriss-White ran the administration from QEH, Oxford, collaborated there with Dr Theo Palaskas on a longitudinal study of the price behaviour of staple foodgrains,¹⁷ drafted the field questionnaires, collaborated on the instructions to field investigators, made regular visits to Chennai and the field, initiated one spin-off village study into the consequences of disability (Chapter 3-3) a second spin-off case study of silk weaving in the region,¹⁸ and a third into the paradox of liberalisation and a rise in corruption.¹⁹

¹⁶16. Janakarajan, S., 1996, 'Complexities of Agrarian Markets and Agrarian Relations, a Study of Villages in northern Tamil Nadu', paper on the workshop on Adjustment and Development : Agrarian Change, Markets and Social Welfare, 1973-93, MIDS, Chennai.

¹⁷17. Palaskas, T. and Harriss-White, B., 1997, 'The Evolution of Wholesale Price Behaviour in Tamil Nadu 1973-93', *Journal of International Development*, 9,1: 101-115.

¹⁸18. Nagaraj et al., 1996 op. cit., Harriss-White, B., 1999, 'How India Works', Cambridge Commonwealth Lectures: www.qeh.ox.ac.uk/working papers.

¹⁹19. IDS Bulletin , 1996, vol 27, no 2 on *Liberalisation and the New Corruption*,

For their contributions to the making of this research and the writing of this book, we wish to offer our sincerest thanks to many people, while absolving them from any responsibility for error:

to the patient women and men of Nesal, Veerasambanur and Vinayagapuram who have put up each decade with days of detailed questions lasting over the period of a year; to those of Duli, Kalpattu, Sirungathur, Vegamangalam and Vengodu of Vellore District; of Amudur, Meppathurai and Vayalur in Tiruvannamalai District (all of which villages were subjected to a detailed socio-economic census) and to those of Thammanur, Kalur and Vitchanthangal in Chenglepet District, where the consequences of incapacity and disability were researched; and also to many village, block and taluk officials;

to ESCOR of the Department for International Development, UK Government (DFID, formerly ODA) for having funded the second resurvey of three villages and the re-census of the eight others, the extra small research project on disability and the further period of data checking and of preparation of this book, and in particular Dr Charles Clift and Dr Susanna Moorehead for their patience and counsel, though neither they nor DFID are implicated in the conclusions of our

co-edited with Gordon White.

research; also to Queen Elizabeth House, to Wolfson College and to the Social Studies Faculty's Webb Medley Fund, Oxford University, for useful smaller grants to top up the resources we needed;

to Prof Peter Hazell of IFPRI, Prof C. Ramasamy of Tamil Nadu Agricultural University and Prof John Harriss of the London School of Economics for making available data from earlier rounds;

to other members of the research team in the Madras Institute of Development Studies: Dr D. Jayaraj and Prof K. Nagaraj; and also to Prof S. Subramanian; to field researchers I. Ambalavanan, M. Arunachalam, Chitra, E. Innocent, G. Jothi, S. Mariasusai, M. Nageswaran, P. Pandian, Dr S. Ramachandran and M. V. Srinivasan (who also took responsibility for the dissemination workshop), data inputter Ms U. Archana Arunachalan, computer lab supremo R. Dharmaperumal and accountant R. Robinson; last but not least in his base in Arni, to 'muse', teacher and translator P. J. Krishnamurthy whose help was vital to the project;

to other co-researchers in Oxford: Susan Erb, N. Narayanan, I. A. S. (on a Visiting South Asian Fellowship) and Dr Theo Palaskas; to masters students and other research assistants and officers: Vishal Agarwal, Dr Shukri Ahmed, Aziz Arya, Paul Barbour, John Cahill, Trevor Crowe, James Dunmore, Lisa Gold, Taimur Hyat, Lara Legassick, Matthew McCartney, Paul Nilleson, Hemani Saigal, Dr

Ruhi Saith, Dr Jean Sargent, Dr Balihar Sanghera and last but certainly not least Diego Colatei who so competently grasped the project's reins when it was needed; to administrators Julia Knight, Rosemary Francis, Wendy Grist; QEH's Information Technology Officer Roger Crawford and secretaries Mary Quirke and Maria Moreno whose commitment far exceeded the call of duty; to discussants at the dissemination workshop held at MIDS in 1996 for their constructive criticism and comments: Prof Venkatesh Athreya, Prof Elisabetta Basile, Prof G. S. Bhalla, Dr Neal Bliven, Prof Terry Byres, Ms S.R. Chunkath, I. A. S., Mr Asvin Dayal, Dr Mridul Eapen, Dr Martin Greeley, Dr Judith Heyer, Dr Anuradha Khatri I.A.S., Dr R. Krishnasamy I.A.S., Prof C.T. Kurien, Dr K. R. John, Dr Manabi Majumdar, Dr D. Narayana, Emeritus Prof S. Neelakanthan, Dr Wendy Olsen, Mr R.C. Panda I. A. S., Mr N. Ram, Prof C. Ramasamy, Mr S. Ramasundaram I. A. S., Mr Gilbert Rodrigo, Prof Padmini Swaminathan, Prof U. Shankar, Dr K. Skandan I.A.S., Prof A. Vaidyanathan, Ms R. Vasantha, Dr Davaluri Venkateshwarlu and Prof S. Wanmali; and there are others, thanked in the chapters they helped.

Finally we remember two centrally important formative influences, sadly no longer with us: Dr B. H. (Ben) Farmer, founder-director of the Centre of South Asian Studies, Cambridge University, who had the idea for this project in 1971 and directed the first investigation in 1972-4, who died in 1996; and Prof S.

Guhan at MIDS who guided the work on social security ²⁰ and who always kept us on our toes, asking sharp questions throughout about the relevance of all this to public policy and helpfully providing documentation and policy-making contacts when he thought we passed muster, who died in 1998.

We wish to dedicate this book to their memories.

Bringing to a conclusion the third round of a complicated project stretching over three decades and involving many people is inevitably a protracted process, but we hope the results - in several respects unique - afford a basis for understanding rural development in India and for future policy making. Even so, the final stages have been affected by more than the normal and expected incidences of misfortune. Not to put too fine a point on it, in the late nineties the grim reaper went harvesting in the families and among the friends of those directing this research and the consequences delayed our work, reduced its scope and without doubt cut its value. We have done our best and look forward to others developing some of the themes neglected ²¹ - as well as those celebrated here - in the future.

²⁰20. And see his festschrift: Harriss-White, B. and Subramanian, S., (eds.), 1999, *Illfare in India: Essays on India's Social Sector in Honour of S. Guhan*, Sage, New Delhi.

²¹21. Some of the themes we had intended to include but which are neglected in

For in what follows we hope to show that village studies are far too important to our understanding of economy and society to have atrophied in the way they seem to have done over the last decade.

Barbara Harriss-White, Oxford

S. Janakarajan, Chennai

this book are migration, factor productivity and its implications for *reverse* land reformism - the lifting of ceilings for (corporate) capital, the changing role of the pastoral economy, health (apart from incapacity), reservations policy and the impact of ceremonial expenditure on the household economy.