

The Dismal State of Rural India*

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The [Socio-Economic and Caste Census 2011](#) (SECC), released by the Government of India on Friday the 3rd of July, paints a dismal picture of the economic conditions of the people in rural India. The data it has unearthed need to be, and will no doubt be, discussed at great length in the days to come; I shall confine myself here to just one of the many striking findings of the Census, which relates to the proportion of total households in rural India that is engaged in manual casual labour.

Out of the 17.91 crore households that were surveyed across the whole of rural India, 9.16 crore households or 51.14 percent are engaged in manual casual labour, in the sense that the major part of their income comes from this source. Not all of them are landless; in fact according to the SECC data, 38.27 percent are “landless households deriving the major part of their income from manual casual labour”, which means that almost 13 percent of rural households (51 minus 38) possess some land but nonetheless derive the major part of their income from manual casual labour.

The fact that more than half of the total rural households subsist on manual casual labour, enjoying no rights, no job protection, and no income security, while being subject to the immensely oppressive drudgery of arduous manual work, is almost incredible in a country that has shaken off colonial rule for over 67 years, and also prides itself upon being the “world’s largest democracy”. But what is even more shocking is the fact that this proportion is higher than at the time of independence.

There are no doubt serious problems associated with definitions in all this, for instance the very definition of “rural labour households”; and these become even more serious when we make inter-temporal comparisons, since the definitions also keep changing over time. Let us nonetheless attempt an inter-temporal comparison. According to the Agricultural Labour Enquiry for 1950-51, the proportion of agricultural labour households to total rural households was 30.7 percent in Community Project Areas. Since it has been estimated that the proportion of rural households in Community Project Areas to total rural households in the country as a whole was about the same as the proportion of agricultural labour households in these areas to the total agricultural labour households in the country as a whole (R.K.Som, EPW February 25, 1961), this figure of 30.7 percent can be taken as being representative of the country as a whole. In other words, the proportion of agricultural labour households to total rural households for the country as a whole in 1950-51 can be taken to be around 30 percent in round figures.

But this relates only to agricultural labour households, and not to rural labour households. The ratio of agricultural labour households to rural labour households in 1950-51 is likely to have been higher than it is today, since the economy was much less diversified at that time. But even if we use today’s ratio (for which we take the ratio of agricultural households to total rural households as a proxy), we get a figure of 40 percent for the proportion of rural labour households to total rural households. For reasons already mentioned, this is if anything an overestimate for the year 1950-51 (since the blow-up factor should have been less for that year owing to the lower level of diversification).

This 40 percent however includes both attached and casual labour households. We know that since independence casualization has increased greatly; so it is not

improper to compare the “attached and casual labour households” of 1950-51 with the “manual casual labour households” of today, as indicative of the magnitude of rural labour households, whence it follows that the ratio of such households in total rural households has increased significantly between 1950-51 and today, so significantly in fact that no problems of definition and estimation can possibly negate the validity of this conclusion.

Some may argue that such an increase is indicative of a process of “proletarianization” that is associated anyway with the development of capitalism; and that there is nothing particularly remarkable or disturbing about such an increase, which merely reflects capitalist development, and hence by inference historical progress, whether we like it or not. But this is a wholly erroneous perception. The proportion of rural labour households in total rural households, or, in a parallel sense, the proportion of agricultural labourers in total rural work-force, had increased throughout the colonial period, as a consequence of the twin processes of “the drain of surplus” and “deindustrialization”, which had pushed sections of the peasantry into the ranks of labourers, and these labourers in turn into growing destitution owing to miserable wages and shrinking numbers of days of employment per person.

Because of this the Communist International at its Sixth Congress had advanced an extremely significant theoretical proposition, namely that what is observed in the colonial and semi-colonial countries is a process not of “proletarianization” of the peasantry but of “pauperization” of the peasantry, i.e. a process not of local capitalist development in the countryside occurring on the basis of a growing army of rural proletarians, but of destitution imposed by the encroachment of metropolitan capitalism via colonial rule. Scholars like Surendra Patel had used this very fact, viz. the increase in the proportion of agricultural labourers in total rural work-force to highlight the sui generis exploitative nature of colonial rule, the fact that it imposed pauperization through the encroachment of metropolitan capitalism, but not proletarianization through encouraging the local development of the capitalist mode of production.

Given the fact that the rural labourers constitute a pauperized mass rather than a proletariat proper, democratic opinion has always used the proportion of rural labour households in total rural households (or other equivalent measures) as an indicator of the degree of inclusiveness of development, with a reduction in the ratio indicating inclusiveness and an increase in the ratio indicating immiserization and exclusion. And significantly, this ratio also stopped rising for several decades after independence. Of late however it has started rising again, which reflects the growing agrarian distress under the regime of neo-liberalism, the fact that the neo-liberal regime is destructive of petty production, including of small peasant agriculture, the fact that it withdraws State support from agriculture which had been offered earlier in a number of different ways. These included protection from world price fluctuations, provision of cheap inputs including credit, provision of remunerative prices, insulation from exposure to the machinations of multinational agribusiness, larger public investment in irrigation and research and development, and the creation of a network of public extension services. All these have got progressively withdrawn under neo-liberalism, engendering agrarian distress and pauperization.

This tendency towards increased pauperization was already evident from the 2011 population census, which showed that the number of farmers had declined by over 8.6 million between 2001 and 2011, even as there was an increase of 44 percent in the

number of male agricultural labourers and of 24.5 percent in the number of female agricultural labourers, adding up to a total increase of over 37 million agricultural labourers over the decade. The census had already shown that more than half of the persons engaged in agriculture in 2011 were agricultural labourers. Since there were altogether 263 million persons engaged in agriculture in 2011, it follows that the percentage increase in the number of agricultural labourers far exceeded the percentage increase in agricultural output, and hence of the demand for agricultural labour, even with unchanging technology (i.e. even in the absence of labour-saving technological change). What we have in other words is an acute increase in pauperization, whose hugely immiserizing consequences have only to an extent been arrested by MNREGA, but which was itself the outcome of a spontaneous tendency of the system that had been kept somewhat in check during the dirigiste period.

Many would argue that the increase in the number of agricultural labourers, and in the relative size of rural labour households in general, was a result of the growing pressure of population on land and the subdivision and fragmentation of holdings as a consequence, which made it essential for an increasing number of households to supplement income from cultivation by wages from agricultural labour. It was a result in short of demographic factors rather than of any economic factors related to the expropriation of the peasantry. But “demographic” and “economic” factors cannot be separated in this manner. The fact that despite apparently high growth rates of GDP, the growth in labour demand was so meagre that not enough labourers could be shifted out of agriculture and rural areas generally, shows that particular growth-trajectory in its true colours. In other words, even accepting, for argument’s sake, the contention of those who attribute the rise in the proportion of rural labour households exclusively to the demographic factor, the fact that this demographic factor was allowed to operate so decisively is itself attributable to an economic phenomenon.

The essence of this phenomenon lies in the fact that the number of those seeking work, both because of the natural growth of the population and because of the unviability of agriculture and other petty production activities in the era of neo-liberalism, falls far short of the number of proper jobs being generated by the capitalist growth process, notwithstanding its impressive rates. It is thus a reflection not of a vibrancy of capitalism, that might have justified the use of the term “proletarianization” to describe the increase in the percentage of rural labour households, but of its deep structural infirmity, which produces only a pauperization of the peasantry, especially of the small-scale tillers.

Neo-liberal spokesmen, aware of the damning indictment that the SECC findings constitute for the growth trajectory they so ardently advocate, which is based on the provision of largesse to the corporate-financial oligarchy, have hastened to obscure issues by suggesting that it is not the growth itself but the insufficiency of it that underlies these findings. But the fact that over a period when the economy was supposedly growing at more than 7 percent per annum, which is a higher rate than ever experienced in this country before, the spontaneous tendency in the economy was to effect an increase in the relative magnitude of pauperization, marginalization and destitution, exposes the hollowness of this claim.

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