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## Introduction

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This book is a study of economic change in the lower Cauvery delta. It draws on socio-economic surveys of two villages in Nagapattinam district, Tamil Nadu.

Palakurichi, in Kilvelur taluk, is a village first studied by economists in 1917, surveyed by K. Soundara Rajalu as part of the famous “Slater studies” supervised by Gilbert Slater, Professor of Economics at the University of Madras. The village was studied subsequently by P. J. Thomas and K. C. Ramakrishnan in 1942, Margaret Haswell in the early 1960s, S. Guhan in 1983, and V. Surjit in 2005.<sup>1</sup> Venmani village encompasses the hamlet of Keelavenmani, the location of the great atrocity of December 25, 1968, when 44 Dalit men, women, and children were forced into a hut and burned to death by caste Hindu landlord-criminals and their henchmen. (As part of the study of the lower Cauvery delta, a history of the Keelavenmani atrocity will also be published by the Foundation for Agrarian Studies.) The study conducted by the Foundation for Agrarian Studies is the first census-type socio-economic survey of households of the two villages.

Our study of Palakurichi and Venmani is different from any other recent study of rural Tamil Nadu in two ways. First, the subject matter and detail of our database are unique. The primary database comes from census-type, schedule-based surveys of all households in the two villages, from interviews with selected respondents, and from discussions with local officials, political workers, agricultural workers’ and farmers’ union activists, and other local informants. The secondary database draws on extensive and diverse sources of official data from State and Central statistical organisations.

Secondly, the study of the villages is based on a detailed analysis of classes in the two villages. The scientific study of agrarian relations is impossible without a detailed analysis of the classes in rural society. The categorisation of households into socio-economic classes is based on data on the ownership of

<sup>1</sup>Rajalu (1918), Thomas and Ramakrishnan (1940), Haswell (1967), Guhan (1983), and Surjit (2008).

the means of production, the employment and expenditure of labour power, and on the agricultural and non-agricultural incomes of each household in the two villages. Our study of agrarian relations – and class, caste, and gender differentials – in the two villages is based on more detailed information than any other recent study of rural Tamil Nadu.

Palakurichi and Venmani are “tail-end” villages, that is, they are located at the end of the Cauvery irrigation system, and thus among the villages in the deltaic region most affected by the sharp decline in the supply of Cauvery water over the previous two decades.

The lower Cauvery delta is an area that was known for its cultivation of rice and agricultural surplus, and for the particularly harsh and cruel – and often inhuman – forms of exploitation and oppression forced on the working people by feudal landlords and the state. The systems of class exploitation and of caste oppression, exclusion, and separation, and the criminal practice of untouchability were inseparable. “The deeper the oppression, the greater the revolt”: the first unions of peasants and agricultural workers to be organised under the red flag in Tamil Nadu were in the lower Cauvery delta (the eastern part of what was then a single Thanjavur district).<sup>2</sup> Today the old crop regime and cultivation have changed, and changed irreversibly, as have the relations of production and the brutal forms of direct discrimination that were the mainstay of the old agrarian regime.

The core data for this book come from a census-type survey of households in the two villages: 390 households in Palakurichi and 415 households in Venmani. The questionnaire was long and wide-ranging, and the chapters describe some of the major findings from the survey, and in most chapters, also from important sources of official secondary statistical data.<sup>3</sup> The reference year for cultivation is 2018–19.<sup>4</sup>

This Introduction does not deal with the findings of each chapter in any detail (these are available in an abstract at the beginning of each chapter). Our attempt here is to introduce the reader to the general state of agrarian relations in the two villages as it emerges from the survey data.

<sup>2</sup> See the account by P. Ramamurti in Ramachandran (2015).

<sup>3</sup> In December 2020, Mayiladuthurai district was formed by separating two revenue divisions of Nagapattinam district. In this book, all data refer to the old Nagapattinam district.

<sup>4</sup> There was drought in the delta in 2000, 2001, 2002, 2008, 2012, and 2016, and flooding occurred in the region in 2008. In 2018, during our reference year, there was a breach in the Upper Anicut in August and Cyclone Gaja hit the region in November.

*PRODUCTION CONDITIONS AND AGRARIAN RELATIONS*

The main feature of change in the state of the productive forces in the lower Cauvery delta since the survey conducted in Palakurichi in 2005 is the decline of the delta as a hub of rice cultivation in the State. The annual discharge of water from the Mettur dam, whose reservoir is the main repository of water for the region, declined from around 250 thousand million cubic feet (tmcft) in the 1960s and 1970s to 103 tmcft in the last decade (2010–19). The aridification of land in the lower Cauvery delta is an emerging threat, driven, perhaps, more by changes in the water regime than by changes in rainfall.<sup>5</sup>

The decline in the availability of water, caused mainly by changes in water-sharing arrangements between the States of Karnataka and Tamil Nadu, has made it impossible to continue rice cultivation on the same basis as before. During the “green revolution” years of the 1970s and 1980s the region changed from a single-crop region to a double-cropped region. By the time of our survey, it had reverted to being a single rice-crop region, and rice yields had declined from the levels recorded in earlier surveys in Palakurichi village.

In brief, agriculture and irrigation policy did not successfully address the challenges that came with the decline in Cauvery water supply. Agriculture in the region did not change to crops (and crop varieties and farming practices) and sidelines that were suitable to the new water regime. The State has also not adequately modernised micro-level irrigation systems in the villages – to line channels adequately, for instance, and ensure the conservation of water in other ways. The lower Cauvery delta needs crop regimes and agricultural policy that are suited to a region of intermittent drought and cyclonic activity. These are not easy tasks, but need to be dealt with if the productive forces in agriculture are to recover and grow.

It is noteworthy that many of the foregoing agricultural themes were raised in the 1980s by the late S. Guhan, distinguished administrator and Professor at the Madras Institute of Development Studies.<sup>6</sup> Guhan was clear that, given the demands of inter-State water-sharing, there would be a secular decline in the share of Cauvery water available to Tamil Nadu in general and the tail-end of the delta in particular. He recommended making the irrigation system more efficient (and lining canals), and changing cropping patterns to crops that needed less water than was being used for flood irrigation in low-land rice cultivation at the time. His advice was far-sighted, and the difficult

<sup>5</sup> Aridification is the process of a region becoming increasingly arid or dry. It refers to long-term change, rather than seasonal variation (<https://en.wikipedia.org/wiki/Aridification>).

<sup>6</sup> Guhan (1983, 1993).

consequences of these observations not having been given full practical form are evident today.

A further and important feature of the villages is that while the gains of the green revolution achieved by the 1980s tended to wither, no major new sources of economic activity or production other than crop (particularly rice) production developed concurrently in the two villages.

As we have written, and as the chapters that follow record, there has been qualitative change over the last century in the forces of production. These have been accompanied by profound changes in the relations of production in the region. Chapter 4 discusses the deeply unequal agrarian relations that were prevalent historically in the lower Cauvery delta. By the seventeenth century the region was characterised by the concentration of ownership and control of land in the hands of a small group of caste Hindu landlords, brought together by a complex system of unfreedom and brutal extra-economic coercion.

With regard to agrarian relations, the main change over historical time is that the old form of tyranny of landlordism, the grip of mainly pre-capitalist forms of exploitation on the economic, social, and personal lives – and even the bodies – of workers, has been broken. It was broken, in the first place, by decades of struggle by the peasants and the agricultural workers of the region led by the Communist Party of India and, after the mid-1960s, by the Communist Party of India (Marxist). State policy had to respond to these struggles, particularly after the atrocity in Keelavenmani and the exposure by the mass movement of the collusion between the institutions of state and the landlords. While tenancy remains a significant feature of agrarian relations, the terms of tenancy have changed, particularly in respect of temple land.

Extra-economic oppression of agricultural workers, long-term farm workers, and Dalits of the forms that existed till the 1970s and early 1980s do not exist today. Landlord-enforced exclusion of Dalits from common public spaces such as schools, eating places, or eating spaces at weddings or funerals is no longer possible. The social gains of the working people and Dalits of the villages have been made possible because of struggle.

Nevertheless it must be understood that the change that has occurred is not the consequence of a policy of land reform given legal basis by legislation from above. The personnel of the richest families in the village today, that is, the capitalist landlord households that are economically dominant in both villages, are *all* drawn from the old landlord families. Although their land has been subdivided over the years, and incomes from cultivation are no longer the major sources of their incomes, landlords sit atop a hierarchy where acute inequality persists. The top landlord families, which constitute 2 per cent of households in Palakurichi, own 38 per cent of the agricultural land held by all

households. In Venmani, 1 per cent of landlord households own 18 per cent of all land. Even excluding holdings of gold and financial assets, they own 22 per cent of all assets in Palakurichi and 24 per cent of all assets in Venmani. Of the total number of person-days of daily wage work in Palakurichi in the reference year, landlords employed 33 per cent. The corresponding share of daily labour time employed by landlords in Venmani was 12 per cent. Landlords owned the most and the best land in the villages, and did not work at any of the major agricultural operations. They dominate the villages in respect of ownership of means of non-agricultural income in the village, and in rural and urban areas outside the village. They have been able to take greater advantage of the means of higher education than other households, and thus have greater access to sources of non-agricultural employment and modern salaried incomes.

In Palakurichi and Venmani, landlessness is still high: 46 per cent of households in Palakurichi and 56 per cent in Venmani do not own land. Nevertheless landlessness has actually declined in Palakurichi. Amidst increased proletarianisation, a section of workers has gained ownership of some small plots of land. A significant feature of landholding in the present day is that in both villages, Dalit households own land. Single-acre plots were sold to Dalit households (and registered in the name of women) at Rs 33,000 an acre with a 50 per cent subsidy from the government, in an arrangement mediated by a local social work organisation called Land for Tillers Freedom (LAFTI). One hundred and fifty Dalit households in Palakurichi or 66 per cent of all Dalit households in the village and 95 Dalit households or 36 per cent of all Dalit households in Venmani village now own land. These transactions took place from 2000 to 2019. While the incomes from these plots are wholly inadequate for a satisfactory income, the very fact of Dalit land ownership represents a historic change in the land ownership structure of lower Cauvery delta villages. LAFTI has been active, even within the limits that it has set, in the two villages (and the Nagapattinam–Thiruvarur region) because of the agrarian movement of the poor in the lower Cauvery delta.

Wage workers constitute the major section of workers in the villages. Crop production is no longer the major source of wage labour, and we no longer have separate classes of agricultural and non-agricultural workers in the villages. We have classified wage-worker households into households whose major incomes come from unskilled or semi-skilled work (24 per cent of all households in Palakurichi and 28 per cent in Venmani), and those whose major income is from skilled and formal-sector wage work (12 per cent of all households in Palakurichi and 11 per cent in Venmani). Taken together, poor peasants and wage workers constitute about 70 per cent of all households in Palakurichi and 60 per cent of all households in Venmani.

In general, the majority of wage workers – from 80 per cent in one village to more than 90 per cent in the other – who were employed in unskilled and semi-skilled manual work, and in skilled and formal-sector wage work, were from the Scheduled Caste and Most Backward Class groups.

Scheduled Caste households are disproportionately concentrated – 50 per cent in Venmani and 73 per cent in Palakurichi – in the poor peasant and unskilled and semi-skilled manual worker class categories. Only 5 to 6 per cent fell in the middle and rich peasant categories, and none in the landlord or rich capitalist farmer category.

#### *EMPLOYMENT AND INCOMES*

Unemployment among the poor is the great scourge of the two villages. Agricultural employment and non-agricultural wage employment did not provide adequate incomes for households in the villages. On average, even among persons from households whose major incomes were from unskilled and semi-skilled wage work, the average number of days of work available in agriculture to a woman worker was 23 days a year in Palakurichi and Venmani. The corresponding figure for men was 16 days a year in Palakurichi and 17 days a year in Venmani.

In the two villages, although the number of days of employment per household gained through the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was less than the 100 days promised by the Government of India, it was still the largest source of wage employment, generating 45 days of employment per woman worker and 18 days of employment per male worker from wage-worker households in Palakurichi, and 49 days per woman worker and 22 days per male worker from wage-worker households in Venmani.

Non-agricultural employment was thus central to households in the two villages. A major part of household income was generated from secondary and tertiary sector activities (81 per cent in Palakurichi and 87 per cent in Venmani), and about 42 to 45 per cent of this income was generated in urban and semi-urban areas. While the village remains a unit of residence and economic activity, the village economy is no longer circumscribed by the geography of the village.

Tamil Nadu is distinctive among the States of India for the high rate of urbanisation, for the pattern of diffused urbanisation that prevails, and for a good transport network. The shift in employment and incomes from agriculture to the secondary and tertiary sectors began earlier in Tamil Nadu than elsewhere. C. T. Kurien noted as early as 1980 that “a quiet transformation”

was occurring as small farmers joined the rural proletariat and rural workers moved into non-agricultural jobs.<sup>7</sup> In 2021–22, 37 per cent of Tamil Nadu's gross value added (GVA) was contributed by the secondary sector (28 per cent at the national level), and 30 per cent of the rural workforce was in manufacturing and construction in the State (19 per cent nationally).

The movement of employment outside the village implies a diversification of occupations among households. Diversification has occurred across classes and castes. Diversification nevertheless is marked by inequality in the *quality* of jobs available to workers from different caste and class positions. In Palakurichi, two-thirds of wage workers worked in unskilled tasks; the corresponding proportion for Venmani was 71 per cent.<sup>8</sup>

For women, opportunities for employment are extremely limited. While more and more women are coming into the non-agricultural labour force, the gender gap in access to non-agricultural employment and levels of non-agricultural earnings is huge.

Daily wage rates for manual work in the villages follow a familiar pattern with respect to a range of development, particularly human development, indicators: they are substantially higher than the all-India level, lower than the levels reported in official publications for Tamil Nadu as a whole, and substantially lower than the levels reported for Kerala. In both villages, agricultural wages were paid in cash along with some tea and small items of food. The average daily wage paid to men for agricultural work was Rs 496 in Palakurichi and Rs 433 in Venmani. The average daily wage paid to women for agricultural work was Rs 220 in Palakurichi and Rs 233 in Venmani.<sup>9</sup> The average daily wage paid to men for unskilled and semi-skilled work in construction was Rs 463 a day in Palakurichi, and approximately the same in Venmani.<sup>10</sup>

Even with diversification of employment out of agriculture, average absolute levels of household income remain low. No less than a quarter of households in both villages had incomes below the extreme poverty line of two dollars a day, and 50 per cent were unable to afford a healthy diet.

One of the effects of the concentration of Scheduled Caste farmers among

<sup>7</sup> Kurien (1980).

<sup>8</sup> The major categories of unskilled and semi-skilled work included agricultural work, brick-kiln work, head-load work, construction, building fences on agricultural land, MGNREGS, quarrying, cutting wood, and sanitary and cleaning work.

<sup>9</sup> According to the official publication *Wage Rates in Rural India* (WRI), money-wage rates for sowing and transplanting work in Kerala in 2021–22 were Rs 825 a day for men and Rs 570 a day for women (GoI 2022).

<sup>10</sup> According to WRI, the money wage in 2020–21 for construction work for men was Rs 483 in Tamil Nadu and Rs 841 a day in Kerala (GoI 2022).

the poor peasantry is that average agricultural incomes earned by Scheduled Caste farmer households are substantially lower than agricultural incomes earned by other sections. The reference year, as mentioned, was a year affected by a cyclone. The data show that the impact of the natural disaster on Dalit farms was much worse than on the farms of all others. The average farm business income from operational holdings in rupees per hectare in Venmani was Rs 280 for Dalit households and Rs 6,456 for all other non-Dalit farming households. In Palakurichi, the numbers showed negative incomes for Dalit farming households, (-)Rs 2,437 per hectare, and Rs 311 per hectare for non-Dalit households. Considering only rice cultivation, the farm business income from cultivation in rupees per hectare in Venmani was Rs 1,229 for Dalit households and Rs 5,336 for non-Dalit households; the corresponding figures for Palakurichi were (-)Rs 1,749 for Dalit households and Rs 5,880 for non-Dalit households.

#### *CREDIT*

In the late 1970s and early 1980s, during the period when social and development banking was official policy, and rural bank branches began to be established all over India (Tamil Nadu was an important site of the growth of rural banking), it was believed that the public sector of banking would serve as a countervailing force to the informal sector, and one that would, in time, overcome and replace it. This expectation has not been realised. Although the formal sector of banking has grown and now encompasses all households, the burden of debt at high rates of interest is a burden that has not gone away. Consumption credit for the poor, particularly for education, health, and housing, is obtained from what we call the “new private formal sector,” that is, the microfinance sector, which puts out loans at interest higher than 20 per cent per annum. Microfinance companies also involve low-income borrowers in what can be seen as semi-coercive group activity, where a group monitors and punishes its women members when they do not fulfil the conditions imposed by the microfinance company. Rural finance, particularly in respect of bulky consumption credit needs, continues to be a pathway to a debt trap for the rural poor.

#### *EDUCATION*

There has been comprehensive change in school and tertiary education in Tamil Nadu over the last four decades. The most important feature of school education in the village is that enrolment is, effectively, universal. The gender gap in educational achievement, however, persists.



With respect to education, the caste gap has narrowed. There was a distinct gender gap between Scheduled Caste men and women above the age of 16. An interesting feature of the Venmani data is that the proportion of women above 16 years with more than 10 completed years of education was higher among women of the Scheduled Caste than other women.

About 20 per cent of children aged 10–14 years in Venmani now attend private schools (it is 36 per cent among those aged 17 years and above). When the private sector in school education expands, educational expenses rise, and households are open to indebtedness in order to achieve schooling. Tamil Nadu must now aim for high quality public education that is completely free and does not create or exacerbate indebtedness for parents.

Some issues in the sphere of education in the villages are thus clear from our data. First, the task of ensuring 100 per cent enrolment and retention of school pupils, first for ten years, then for twelve, remains to be completed, particularly in respect of retention. Secondly, special efforts have to be made to ensure the universal retention of girls. Beyond these, questions of the quality of school education and issues of access to tertiary education of high quality for the poor and the underprivileged must be addressed. Long-term progress in education, especially in school education, will depend on the part played by the public sector in education.

### HOUSING

The study of the quality of housing has been an important component of village studies conducted by the Foundation for Agrarian Studies. The method has been to study housing in terms of whether or not a house meets the following criteria: it is made of *pucca* construction materials (i.e. it has a *pucca* roof, *pucca* walls and *pucca* floors); it has at least two rooms; it has a separate kitchen; it has a source of water for domestic use inside the homestead (we also note whether or not there is a water source within 200 metres of the homestead); it has at least one electricity outlet; and it has a functioning toilet that is used by the residents of the house.

The record here is problematic. To mention a few salient features of our findings, only 22 per cent of the houses in Palakurichi and 19 per cent in Venmani satisfied all six criteria. The criterion on which houses performed best was electricity – almost all households had a functioning electricity connection at the time of the survey. On all other counts – *pucca* housing, living space, the availability of a source of water for domestic use within the house, and functioning toilets – much remains to be done.

Caste differences were marked in the sphere of housing: only 9 per cent of

Scheduled Caste households in Palakurichi and 15 per cent of Scheduled Caste households in Venmani fulfilled all the criteria. The absence of functioning toilets is of serious note – for all households, particularly for Dalit households. The villages are very far from being open defecation-free, and Dalit residences are particularly underprovided with toilets.

### *DALIT HOUSEHOLDS*

Many decades of fierce struggle have ended the old forms of untouchability, caste-based exclusion from public spaces, and day-to-day anti-Dalit violence.<sup>11</sup> The trajectory from agrestic servitude to land ownership and wage labour represents a profound transformation. Our data also show that, while the struggle of the Dalit masses of the Lower Cauvery delta has won many important victories, institutional barriers to change have obstructed the progress of the war against cumulative deprivation. After many years of struggle and social change, the rural Dalit masses remain separate in many respects – both socially and with respect to physical living spaces.

Dalit households have more landless among them, and those among Dalits who own land, own holdings that are much smaller than the ownership holdings of caste Hindus. Since Dalit households that operate land are concentrated among the poor peasantry, the average incomes they earn are much lower than incomes earned by non-Dalit households. While there have been substantial improvements in formal education, caste differences persist. In the sphere of housing, water supply, and sanitary infrastructure in homes, Dalits are far behind the rest (in an overall situation of inadequate achievement).

Decades of fierce struggle by and the continuing vigilance of unions of the Left today have been the most important locomotives of social change among the Dalit masses of the two villages. Even the achievements of LAFTI were possible only because of the role that the political organisations of the Left played in that region. The consequences of the absence of such organisation can be seen time and again in contemporary Tamil Nadu, where barbaric acts of discrimination and violence against people of the Scheduled Castes have, appallingly, continued to occur in different parts of the State. The title of a recent article in *Economic and Political Weekly*, “Elusive Justice to Dalits in the ‘Land of Social Justice’,” describes an important aspect of reality in Tamil Nadu today.<sup>12</sup>

<sup>11</sup> Although, as recent events in Vengaiyaval in Pudukottai district, Chidambaram in Cuddalore district, Uthapuram in Madurai district, and elsewhere show, these are far from having disappeared in the State. See Rajasekaran (2023), *The Hindu* (2021), and Viswanathan (2008).

<sup>12</sup> Lakshmanan and Sethuraman (2023).

One clear implication of our study is the need for a large-scale economic and sociological study of the position of the Dalit masses in rural Tamil Nadu – of achievement and change, but more importantly for future policy and public action from below, of discrimination and persistent cumulative deprivation.

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In summary, the path of economic change in rural Tamil Nadu has placed the State substantially ahead of the poor performers among Indian States, and, indeed, substantially ahead of the national average with respect to key indicators of economic performance and human development. In the lower Cauvery delta, there have been historic changes with respect to the growth of the productive forces. The main features of this have been changes in the technology of rice production, changes in the crop calendar and land use, a secular decline in the volume of surface water available to the region from the Cauvery system, and urbanisation and the growth of occupations outside crop production. There has been historic change in the relations of production, summarised in this chapter and described in the book, in which decades of class and anti-caste struggle by Dalit working people and the Communist Party have played a decisive role. At the same time, data from our two villages show the limits to the success that the path of “growth without structural change” (in C. T. Kurien’s words) has had with respect to economic development, employment, and the reduction of social and economic inequality.<sup>13</sup> Because the countryside has not seen the upheaval in production relations that comes from land reform, acute inequalities of class, caste, and gender persist. These take new forms in new circumstances, but are nevertheless deeply embedded in society.

<sup>13</sup> An argument that has gained recent publicity is that Tamil Nadu has followed a unique inclusive path of development, ensuring “economic growth with social justice,” and driven by policies that directly addressed caste-based inequalities and discrimination (Kalaiyarasan and Vijaybhaskar 2021). The claim that economic growth has been inclusive, particularly with respect to people of the Scheduled Castes, has been questioned by scholars. Judith Heyer (2022), for example, points to the relatively low quality of employment received by people of the Scheduled Castes, the low ownership of enterprises among Dalits, and continuing caste atrocities (the book does not refer to the Keelavenmani atrocity). She points also to the lack of gender inclusivity, and to continuing discrimination against women and girls. John Harriss asks if the failure to address the problems of agrarian reforms has not been counterproductive to social justice, arguing that caste–class differentiation and subordination of the Dalits persist (Harriss 2022). The book seems unaware of Kurien’s argument on growth and the absence of structural change; indeed, it does not refer to his work on the Tamil Nadu economy at all.