TENANCY, NON-RESIDENT HOUSEHOLDS AND INSTITUTIONS USED TO ACCESS INPUTS: AN INVESTIGATION OF TWO VILLAGES IN THE WEST GODAVARI DISTRICT

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Introduction

There has been an increase in tenancy contracts in rural India since2002. The extent of land under tenancy rose from6.4 per cent in 2002 to 11.4 per cent in 2018. Interestingly, tenancy increased in irrigated areas and those inwhich high-yielding variety seeds were introduced, such asPunjab and Haryana(2019). In the same period,we also see the increasing importance of fixed rental contracts. In the 1980s, the dominant explanations for the nature of tenancy contracts were given throughthe resource adjustment models(RAM). In these models, lease contracts were considered a rational response to missing markets in the factor market. For example, suppose the market for bullock power is missing but is essential to the organisation of production. In that case, one mechanism for adjustment is to provide a lease contract to the households who own the non-marketed resource (here, bullock power).In the process, land resources will be allocated (leased in) to households with non-marketed resources needed for production. However, the market does not existfor households who do not own these resources. The predominant non-marketed resources used in models to explain tenancy contracts are managerial ability (Bell & Zusman, 1975), credit (Jaynes, 1982), animal power (Bliss & Stern, 1982) and family labour (Pant, 1983),among others.

In the context of the present study, it is observed that the same forms of markets exist for all factor inputs. In the labour market, nearly all cultivating households, as well as households who lease land in rural areas, access labour from the labour market. The labour could be from within and/or outside the village. In case the missing market for plough-and-bullock power is seen earlier. Currently, production households rarely useplough-and-bullock power in this area. Tractors and threshers have replaced most of theploughs in villages and are also available for rent.In this context, with the presence of markets for all inputs, a question that arises is: What is the nature of households entering the land-lease

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market, both on the demand side and the supply side? Studies on the land-lease market generally emphasise the demand side of the land in the lease market over the supply side. This could be a result of the opinion that the supply of land is inelastic and does not change over time. Thus, the emphasis is on analysing the demand-side factors. Thispaper tries to address this gap. Specifically, it seeks to understand which households enter the land-lease market on both sides of the market. A related question that arises is: if the reasons for the existence of land lease arrangements have changed due to the presence of markets, have institutional mechanisms to access inputs changed?

The paper relieson surveys conducted in two villages inthe West Godavari district in 2014. In the surveys, all households in the village were surveyed. The survey collected information on household characteristics and interaction in all the primary markets, i.e., land, labour, credit, and agricultural instruments. The paper is divided into seven sections.The first part serves as theintroduction. Thesecond section provides a brief description of the two villages. The thirdsection deals with the importance of tenancy in the surveyed villages. The fourth part describesthe households that are leasing land. Thefifth deals with the land and analyses the households leasing-out land in the surveyed villages. The sixthsection presents the institutional mechanisms used to derive the income of the tenant households. Finally, the seventh section deals with conclusions and policy concerns.

2. Brief description of the two villages

This article eschews the abstract planes of country and state to analyse the nature of an evolving agrarian structure and relations in two villages of the West Godavari district of Andhra Pradesh. This district has a long history of using canal water for irrigation and major struggles amongtenant farmers.It was also one of the districts that were identified for the introduction of the inputs essential to theGreen Revolution. There were three phases involved in introducing Green Revolution practices into the district. The first phase was the pre-Green Revolution period. During this time, there was major policy intervention as a response to agrarian struggles to change the feudal/landlord-based production system, including a series of legislations to bring the land under ryotwari tenure,such as the Estate Abolition Act of 1948and theInam Abolition Act of 1956. One of the important fallouts of these land-reform measures was the large-scale eviction of tenants,which transformed tenancy into concealed tenancy. The second phase was the Green Revolution period (1970-85). This period involved the rise of the rich peasantry and an increase in the land under self-cultivation, implying a decline in the extent of land under tenancy(Parthasarathy & Rao, 1969). The third phase came after 1985, when there was major occupational diversification, with thepropertied class moving out of agriculture and a slow revival of tenancy

in rural areas(Patnaik, 1990).As the West Godavari district is considered progressive in terms of agricultural performance, changesinthe areacould be illustrative of overall trends in Indian agriculture.

According to the Gazette of West Godavari,the district can be subdivided into three zones. The first is the delta zone, where the land is irrigated using canal water.Thesecond zone is the upland area, where the main source of irrigation is tube wells. The third zone is the tribal-dominated area. Earlier micro-studies have highlighted theincreasing importance of tenancy in the canal-irrigated area of the district(Rao & Bharathi,2010; Chandayya,2014). Given the increasing importance of tenancy relations in the coastal area of the state, this study the article tries to analyse tenancy contracts in two villages in the West Godavari district, namely Mentipudi in Veeravasaram Mandal and the second village of Kothapalli in GanapavaramMandal. Both villages are completely irrigated using canal water. Table 1 provides information on the broad demographic and economic characteristics of the village economies.Mentipudi is a relatively smaller village with 178 households; Kothapalli has 301 households. In both villages,the land owned by resident households is less than the land operated. Even if one accounts for the under-reporting of land owned and over-reporting of land leased, a significant proportion of the difference can still be attributed to non-resident households. The land-person ratio in both villages is less than 1, while the land-landless ratio is around 0.48 for Kothapalli and 0.21 for Mentipudi. Additionally, unlike Kothapalli, Mentipudireportshigh outstanding credit per resident household.

Table 1: Basic information on the two villages surveyed.

Village	Kothapalli	Mentipudi
Source of irrigation	Canal	Canal
% of land irrigated	100	100
Total number of resident households	301	170
Land owned by resident households (figures in brackets refer to land owned)	106.3 (0.35)	65.44 (0.35)
Land operated by resident households (figures in brackets refer to average land operated)	473.77 (1.57)	491.3 (2.76)
Land–man ratio	0.47	0.77
% of landless labour households	33.33	14.16
Land–landless household ratio	0.48	0.21
Outstanding credit per household in the village(Rs)	51,800.93	71,571.91

Source: Field survey

To understand the structure of the village economy, we classified households as belonging to the farm sector (FS) or non-farm sector (NFS). Households in the FS are

defined as those that take part in agricultural operations as sellers of labourpower,operate land or deriveincome from land. Conversely, NFS households are defined as thosethat do not operate land or sell labour for agricultural operations. Households that have diversified outof the FS but continue to earn rental income are still included with the FS. In addition, two new sets of households are identified: dependents, i.e., those thatare not involved in agricultural operations but get government pension and/or rent from the land; andinternational migrantsin which at least one member of the family has left the countryand the rest of the household does not take part in agricultural operations.

Table 2: Distribution of Households between the farm and non-farm sectors in the two surveyed villages.

Type of Households	Kothapalli	Mentipudi
Agricultural labour households	63(19.94)	16(8.89)
Cultivators	137(43.35)	104(57.78)
Farm sector	201(63.61)	120(66.67)
Non-farm sector	66(20.89)	22(12.22)
Dependents	34(10.76)	22(12.22)
International migrations	0(0.00)	14(7.78)
Incomplete	15(4.75)	2(1.11)
Total	316(100.00)	180(100.00)

Source: Field survey

Note: Figures in brackets are percentages of the total

Based on these definitions, we made the following observations. One, the FS continues to be important to residents in the two villages, with nearly 64 per cent of households involved in it (Table 2). Two, the NFS is relatively more important in Kothapalli village, with nearly 21 per cent of rural households engaged in the NFS, while in Mentipudi village, only 6 per cent of resident households exclusively depend on the NFS. Unlike Kothapalli village, which had a higher share of households in the NFS, Mentipudi village has a higher share of households with international migrants (14 per cent). These households are predominantly landless and belong to the Dalit community,representing the Malacaste. Third, the percentageof dependent households is significant in both villages, i.e.,around 11 per cent. This could be an indication of the establishment of nuclear families or the out-migration of able-bodied persons from the villages. These households depend on government old age pension benefits, rental income from land and/or remittances from abroad. Fourth, the nature of the FS is different in the two villages. The compositions of agricultural labour and cultivators vary between the two villages. Mentipudi, with its large-scale migration of potential labour-supplying households from the village, has experienced a shrinkage of agricultural

labour households and an expansion of cultivators. Meanwhile, in Kothapalli, agricultural labour households continue to account for 20 per cent of the rural households.

Table 3: Distribution of operated land among different land-size groups.

Villages/size group		Kothapalli	Mentipudi	Total
Landless	No.	67	17	84
	Area	0	0	0
Marginal (less than 1.25 acres)	No.	11	4	15
	Area	10.7	3.74	14.44
Small (1.26–2.5 acres)	No.	49	26	75
	Area	94.91	50.7	145.61
Semi-medium (2.51–5 acres)	No.	52	48	100
	Area	193.06	178.86	371.92
Medium (5.01–10 acres)	No.	19	17	36
	Area	134.75	122.12	256.87
Large (10.01 acres and above)	No.	3	8	11
	Area	32.7	123.65	156.35
Total	No.	201	120	321
	Area	468.12	479.07	945.19

Source: Field survey

One can look at the operated land distribution in the village to identify which class is the dominant player in the village. One of the significant features of the surveyed villagesis that the class that controls the largest extent of land is the semi-medium category, followed by the medium and large categories (table 3). Thus, the distribution of operated land is moving towards larger amounts of land being operated by semi-medium and medium-category farmers. Small- and marginal-category households depend on leasingland.

Table 4: Percentage distribution of households and land operated among castes in the surveyed villages.

Village	% of households		% of operated land	
	Kothapalli	Mentipudi	Kothapalli	Mentipudi
SC	44.18	20.78	26.80	9.04
BC	6.31	0.56	3.37	0.00
OC	49.50	78.65	69.81	90.95
Total	100.00	100.00	100.00	100.00

Source: Field survey

A comparison of operated land distribution among social groups in the two villages reveals a significant amount of cultivable land under the control of the upper castes (Table 4). A total of 49.5 per cent of OC households operate 69.81 per cent of the land in Kothapalli, and 78.65 per cent of OC households operate 90.95 per cent of the land in Mentipudi. OC

households dominate the number of households and areas operated in both villages. As cultivators, SCs are high in terms of the number of households but control little of the operated land in both villages. The table shows that 44.18 per cent of SC households operate only 26.8 per cent of the land in Kothapalli. Nearly 20.78 per cent of SC households operate on just9.04 per cent of the land in Mentipudi. SCs are predominantly small or marginal farmers in both villages, and most of them work as agricultural labourers.BCs are not significant in terms of households or operated area compared to other social categories in both the surveyed villages.

3. Importance of tenancy in the surveyed villages

Is tenancy an important process of resource adjustment in the surveyed villages? In this section, a few indicators of the importance of tenancy are presented for the two villages. In one of the villages, nearly 90 per cent of the operated land is leased-in land (Table 5). Two, the households leasing land are resident households. In the case of Kothapalli village, nearly 40 per cent of the resident households lease land, while inMentipudi village, nearly 55 per cent of the resident households lease land. Three, the average leased land is above 3 acres in both villages;however, the figure for Mentipudi is higher, at 4.4 acres. Fourth, more than 95 per cent of the lease contracts are fixed rentals in both villages. Another important feature of the tenancy market is how crucial leasing land is tothe survival of landless labour households. Among the landless labour households, nearly 38 per cent lease land in Kothapalli village and nearly 50 per centlease land in Mentipudi (Table 5).

Table 5: Nature and extent of tenancy relations in the surveyed villages.

Village	% of households leasing land in the village	% of leased-in land to operated land	The average area leased in	% of fixed rental contracts	% of landless labour households leasing in land
Kothapalli	39.86	87.65	3.44	98.41	88(38.26)
Mentipudi	55.61	90.49	4.40	96.29	53(50)

Source: Field survey

Note: Figures in brackets are percentages of the total

These indicators aredominant features of the region under study and are more prevalent in the surveyed villages.The Land Committee Report, 2006, under the chairmanship of Koneru RangaRao, reported that 55-60 per centof cultivated lands were under leased in their surveyed villages of East Godavari, Krishna and Guntur districts. Similarly, a report of the state-level committee, studying the problems of farmers in crop holiday mandals of the East Godavari district of Andhra Pradesh (2011), under the chairmanship of Shri Mohan

Kanda,stated that an informal tenancy system was commonly found in these areas and covered nearly 50-60 per cent of the sown area. Ramachandran, Vikas and Swaminathan (2010) examine the aspects of tenancy in Ananthavaram village in Guntur district and compare them with Sundarayya's observations in a1977 survey. Their study showed that the cultivation of land under tenancy was widespread and that the incidence of tenancy has increased sharply over the last three decades. The proportion of leased-in land households has increased from 18 per cent in 1977 to 37 per cent in 2006.

4. Nature of the households leasing land

The supply side of the land-lease market is generally identified as inelastic with respect to prices. One of the main reasons for land being put on the land-lease market could be that households have either partly diversified out of agriculture and/or have moved out of agriculture(Vijay,2012; Sreenivasulu, 2020) or leased out land and become agricultural labour households in the village. To check the relative importance of the above factors, we analysed whether the leasing out household is a resident or a non-resident of the village. If a household is a non-resident but owns land, it has to lease out the land or keep it fallow. The growing evidence of the increasing tenancy in the Godavari Delta points to the increase in non-resident landowners (Vijay & Sreenivasulu, 2013; Sreenivasulu, 2015; Ramachandran et al., 2010).Given the importance of tenancy arrangements in the two villages, there is a need to see which households are leasing land. One reason for looking at the nature of the households is to determine whether landless labour households or landed households are entering the land-lease market. Implicit in this form of classification is that if a landless labour household leases land, the motive for leasing is for consumption (this does not mean that they do not sell the produce), while if landed households enter the land-lease market, they enter to produce for the market (Patnaik, 1990). Landless labour households are identified as pure tenant households. This section identifies(a) who is leasing land and whether they are pure tenants or mixed tenants and (b) whetherthe rent paid differs between pure and mixed tenants.

In Kothapalli, 73 per cent are pure tenants while the rest are mixed tenants. Pure tenants lease nearly 70 per cent of the total leased area. The average area operated by pure tenants is 3.3 acres, which is lower than the land operated by mixed tenants. The rent paid per acre of land by the pure tenant is more than that paid by mixed tenants. This gives the impression that pure tenantspaymorerent to lease the land. However, the average output they produce is lower than that produced by mixed tenants. This leads to a situation where the rent-to-output ratio is higher for pure tenants compared to mixed tenants. In the case of Mentipudi village, around 50 per cent of the land is leased by pure tenants, who lease

around 40 per cent of the total leased-in land in the village. The average land operated by pure tenants is smaller when compared to mixed tenants. On average, pure tenants lease 3.6 acres, while mixed tenants lease 5.18 acres. However, the rent paid by the two classes is nearly the same. The output produced by pure tenants is higher than that of the mixed/ pure tenants, and the ratio of rent to output is around 45 per cent (Table 6).

Table 6: Number, area leased and rent paid by pure and mixed tenants in the surveyed villages.

Village	Kothapalli			Mentipudi		
Tenant type	Pure tenants	Mixed tenants	Total	Pure tenants	Mixed tenants	Total
Number	84 (73.04)	31 (26.96)	115 (100)	44 (50.57)	43 (49.43)	87 (100)
Area	277.59 (70.78)	118.61 (29.93)	396.2 (100)	160.6 (41.88)	222.8 (58.11)	383.4 (100)
Average area	3.30	3.82	3.40	3.65	5.18	4.41
Averagerent	28.37	27.74	27.77	23.72	23.70	23.71
Averageoutput	61.22	62.05	62.68	56.74	51.16	54.84
Rent/output	0.47	0.45	0.45	0.42	0.47	0.44

Source: Field survey

Note: Figures in brackets are percentages of the total

There are a few similarities between the two villages. In both villages, 50 per cent of landless labour households enter the land-lease market. This mayimply that there is a higher probability of landless labour households entering the land-lease market, which could constrain the formation of the labour market. In the villages, the ratio of rent to output is high-greater than 42 per cent. Thus, in both the villages, tenant households give 42 per cent of output as rent or as a contribution to the land, and others have to pay for all inputs as well as labour costs. Even if one uses unmarketed family labour, rents are very high, implying that tenancy contracts could be part of a distress-induced survival strategy for the households. The differences between the villages are marked by the lower proportion of pure tenants in Mentipudi village. One potential reason for this could be the migration of potential labour-supplying households to more viable locations (towns and cities, including those abroad). This village had a 'relative scarcity' of labour-supplying households due to international migrations. This could have resulted in mixed tenants becoming the dominant players in the market. The rent per acre is also the same for both groups. In Kothapalli, pure tenants overexploit themselves, while in Mentipudi, mixed tenants overexploit themselves. Is it possible that the existence of alternative employment opportunities for

labour-supplying households reduces the importance of land leases to landless labour households and changes the nature and/or structure of land-lease arrangements?

Table 7: Number of holdings and areas leased in by pure and mixed tenants among different social groups in the surveyed villages.

Village		Kothapalli			Mentipudi	
Caste		SC	BC	OC	SC	OC
Pure tenants	No.	39	1	44	4	40
	Area	114.5	3	160.09	12	148.6
Mixed tenants	No.	2	2	27	2	41
	Area	5	4	109.61	6	216.8
Total	No.	41	3	71	6	81
	Area	119.5	7	269.7	18	365.4

Source: Field survey

The households that are migrating to international destinations are from the Dalit Mala community in Mentipudi village. This should have an impact on the land-lease arrangements in the village. The main lessees are fromOCs. A total of 61 per cent of the landin Kothapalli and 93 per cent in Mentipudivillageis leased by this category of households. But do SC households predominantly belong to the pure tenant category? In the case of Kothapalli village, 95 per cent of SC households are pure tenants,and in Mentipudi village, where the number of tenants from the SC communityis low. Given that Mala households in Mentipudi have many international migrants,their share in the land-lease market is relatively low and SCs who lease the land also pay a lower rent.

5. Households leasing out in the surveyed villages

Given that the survey covered only resident households, information on the importance of non-resident households was not included. However, in the survey, we identified households that lease land and asked them who the leasing out individual is and about the extent of land they own. This information was used to infer the relative importance of the non-resident households and should be used with caution.Resident and non-resident households were classified into two groups based on whether they cultivate/operate any land themselves. If a household cultivates land themselves, they were identified as cultivating households, but if they own land but do not self-cultivate the land,they were identified as non-cultivating households. In addition, some resident households are dependents but own and lease out the land; they were identified as dependent households. They make upa small proportion of households in these villages.

Table 8: Distribution of holdings and area of land leased out by different types of households.

Type of households		Total holdings		Area of land leased out	
		Kothapalli	Mentipudi	Kothapalli	Mentipudi
Resident	Cultivating	15 (8.52)	7 (4.45)	37.5 (9.78)	8.5 (2.05)
	Non-cultivating	36 (20.45)	17 (10.82)	70.31 (18.34)	28.85 (6.98)
Non-resident	Cultivating	29 (16.67)	32 (20.38)	77.83 (20.30)	94.2 (22.80)
	Non-cultivating	95 (53.97)	101 (64.33)	197.7 (51.57)	281.53 (68.15)
Total		176 (100)	157 (100)	383.34 (100)	413.08 (100)

Source: Field survey

Note: Figures in brackets are percentages of the total

Non-resident households in both villages leased out a significant amount of area. In Kothapalli village, nearly 70.64 per cent of the land is leased by non-resident households, and they lease out nearly 71.87 per cent of the land. In the case of Mentipudi, these figures are much higher. A total of 84.71 per cent of the contracts are by non-residents, and nearly 90.95 per cent of the land is leased out by them. Thus, non-residents are major players in the land-lease market. Another axis-the nature of the agent, cultivator, or non-cultivator-provides interesting findings. In Kothapalli, 74.42 per cent of the holdings belongto non-cultivating households that lease out 70 per cent of the land. In the case of Mentipudi, 74 per cent of the land is leased out by this group, and their share of theland is 88 per cent. Households that are non-resident and non-cultivating are responsible for 53 per cent of the land contracts and lease out 51 per cent of land in Kothapalli village. These same percentages for Mentipudi village are 64 per cent and 68 per cent. Thus, it appears that two features-non-resident status and non-cultivating status-are important in explaining leasing out behaviour in the two villages (Table 8).

6.Institutional mechanisms of sustenance of the tenant households

The two villages share features. First, in both villages, the increasing importance of non-resident households owning land in the villages is apparent. Nearly 75 per cent of the land in the two villages is owned by non-resident households. Over time, it appears that the relative importance of these households is increasing. In addition to the rising importance of non-resident households, an increase inland operated by non-cultivating households is

evident. Second, exchanges are completely monetised, and the majority of rural households do not have surpluses from the previous crop period, so the credit market is particularly important to these householdswhich organise production. Third, tenancy contracts are the predominant means of organising production in the two villages. Thus, what is the institutional mechanism through which production is organised when non-resident households own land? By 'institutional mechanism', we mean processes that connect the potential supplier and demander of leased land and how to lease households access inputs when well-defined property rights do not exist. The two villages present different institutional mechanisms to organise production.

6.1 Kothapalli

In the case of Kothapalli, we witnessed the rise of a new institution, namely,commission agents. These agents perform multiple roles. Non-resident land-owning households tell the commission agents that they have land to lease, and these agentsidentify tenants and finalise the contracts. In addition to providing the potential tenant with land on lease, these agents also provide credit for the tenant's day-to-day production activities and provide thenecessary inputs and machinery. The tenant has to supply the output (produce) to the agent at the time of harvest. The commission agents deduct all production costs and give the residual income to the tenant.Each commission agent also contractsa few labour contractors,and the tenant has access to labour from the maestri. One of the repeated opinions in the village was that cultivation could not take place without the agent. Another opinion expressed was that if households do not lease land, their access to credit will also be curtailed. In place of the earlier combination of landlord-and moneylender, one now sees a new class of intermediaries who siphon off the entire surplus that the tenant peasants produce. Peasants take land on lease and access inputs from the commission agents. By the end of the production period, they are indebted to the commission agent and have to take the land on lease again. This vicious cycle thus continues. In the process, the landowner gets fixed rent, and the commission agent gets fixed returns by providing all inputs and is able to access output/produce at lower prices; all the uncertainties in the production process are transferred to the tenant. The lack of sustained employment opportunities for these tenantsforces them to enter the land-lease market, and the commission agent institution sustains the production system. In this village, there are three commission agents and three labour contractors who are identified as NCH households in the village.

6.2 Mentipudi

Mentipuditellsa different story. This village does not have the significant presence of a commission agent. The rich peasants in the village lease land, not from inside the village

but outside. Nearly 90 per cent of the land leased by rich peasants is owned by people outside the village. There are two reasons for this. One, non-resident households provide land to relatives who stay in the village. Unlike in Kothapalli, where the commission agent emerged as an institution, in Mentipudi, relatives are the most important mechanism for land input. Two, the rental rates are lower when one leases from relatives. In the survey, there were only two households where the memberswere above 70 years of age and were leasing land from relatives and children. Thus, in this village, relatives acted as an institution that allowed non-resident households to lease land. Given this dependence on relatives to lease land,the price at which the land is leased sometimes did not match the market. During the survey, we discovered an interesting phenomenon. In the present sowing season/ production period, some non-resident landowners did not find tenants,so they put out a public notice in the village that they had land that could be taken on lease and that they wouldalso provide credit and meet other needs. They also said that they were ready to charge rent of five bags of produce per season. However, they did not get tenants for that year.Such a situation is unheard of in Kothapalli.

Table 9: Inputs taken by tenants from different sources (only for leased-in households).

Village		Landowner	Commission agent	Own source	Co-operative society	Friends and relatives	Total
Kothapalli	Seeds	7 (5.79)	48 (39.67)	65 (53.72)		1 (0.83)	121 (100)
	Fertiliser	9 (7.38)	81 (66.39)	32 (26.23)			122 (100)
	Pesticides	9 (7.38)	81 (66.39)	32 (26.23)			122 (100)
	Machinery	3 (2.45)	19 (15.57)	94 (77.04)		6 (4.91)	122 (100)
Mentipudi	Seeds	1 (0.95)	8 (7.62)	92 (87.62)	1 (0.95)	3 (2.86)	105 (100)
	Fertiliser	3 (2.86)	18 (17.14)	66 (62.86)	5 (4.76)	13 (12.38)	105 (100)
	Pesticides	3 (2.88)	18 (17.31)	66 (63.46)	5 (4.81)	12 (11.54)	104 (100)
	Machinery	2.00 (1.80)	8.00 (7.21)	98.00 (88.29)		3.00 (2.70)	111 (100)

Source: Field survey

Note: Figures in brackets are percentages of the total

In Kothapalli, landless labour can access the land-lease market, and the commission agent will provide all inputs. This led landless labour to enter the land-lease market. But in Mentipudi, there is no agent, and households need to access inputs from their contacts. Given that the landless do not have land to provide as collateral, they are also not the main

lessees of the leased land. Thus, mixed tenants enter the market, and the inputs required are also sourced from owned sources.

7. Conclusion

The two villages surveyed demonstrate some interesting trends. Due to the provision of irrigation, households with land could make a 'surplus', which was useful to diversify these households from the FS to the NFS. This led more non-resident households to own land and, as such, to increase in tenancy. A significant proportion of households that are entering tenancy are pure tenants or households with no land entering the land lease market. Structurally speaking, the rural economy has an increasing proportion of non-resident households owning land and an increasing proportion of landless labour households entering the production structure by leasing land. The pressures of landlessness among landless labour households translate toexorbitantincreases in rental costs. In both villages, nearly 45 per cent of the produce is taken as rent by the lessor. Thus, there is a need for a policy that addresses thisstructural problem in the rural economy. In the presence of non-resident households, one village experienced thedevelopment of a commission agent system, which provided stability to the production structure by connecting non-resident households and potential tenants and providing inputs to the tenants so that they could produce. However, the rental rates in this situation were very high. In the second village, there were two important differences. Thecommission agent did not play this structural role;instead, relatives liaised between non-resident households and potential lessees. However, access to inputs fromtenant households wasconstrained in this situation. This village witnessed the international migration of potential labour-supplying households and the withdrawal of other family members from the labour market. This created a potential scarcity of labour in the village. Given this, the village was in aunique position, with non-residents finding it difficult to get tenants and tenants struggling to access inputs and livelihood, which route that the internalise constraints have to be seen, which could have implications for agrarian transformation. In the present context,with the increasing importance of tenancy contracts, there is a need for policy alternatives that deliver inputs to the tenant farmers and make the system more viable.

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Notes

i Thesee villages were also studied by Rao and Bharathi(2010) in 2003-04. The duo found that a large extent of the land was under tenancy.

ii The rise of commission agents has also been reported in Punjab and Haryana. These households were earlier land operators but have diversified and are now input and output traders(Sinha, 2020).

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