

EMERGING INCOME INEQUALITIES AND FORMS OF HIDDEN TENANCY IN THE MAHAWELI 'H' AREA — PART II

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With the commencement of activity on the Mahaweli Project in 1975/76 some of the peasant farmers in the purana villages of the NCP, affected by this project, were re-located in this region which came under the "H" Area of the Mahaweli Project. Lionel Siriwardane, a Research Officer with the People's Bank Research Department, has monitored the adaptability of these settlers to their new environment over the years. He emphasises that the lot of these settlers need not necessarily be applied to all Mahaweli settlers, just as much as the benefits of the increased level of production in this area, during 1980 Maha season, would not have been equally enjoyed by all settlers.

He draws attention to the crucial question of why (when ostensibly all settlers begin their settlement life on an equal footing, with an equitable distribution of resources) within a period of few years income disparities and concomitant social stratification occurs. With the aid of quantitative and qualitative data Siriwardane attempts to uncover the network of factors that contribute to this phenomenon and the consequential hidden or concealed tenancy relations. Having attempted such an analysis Siriwardane also explores the policy implications in general and in particular for the system of turn out groups in the Mahaweli "H" Area.

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This paper is based on a 91 page monograph.

Production Practices, Cycles and Life Styles — Old and New

For the new settled families there was a sudden increase in consumption and production costs after the resettlement under Mahaweli Irrigation Project began. Such changes could be seen as a shift from subsistence farming, to a commercialised modern agricultural economy in which the settlers are supposed to produce for the market. Although the hardships they underwent during purana Midellewa village life was greater than under the new set up, there was a finely worked out community life and agricultural activities incorporating Chena (highland) farming and paddy farming. Wild animals and the surrounding jungle; lack of roads, schools, health and marketing facilities created difficulties for the villagers, but those factors also had a positive effect on the settlers expenditure pattern. Due to lack of market facilities the food requirements of a household would be adjusted to the available food crops and vegetables in the village or their cultivation would be planned to meet the requirements of the household. Money and the market played an insignificant role in the village economy. The villagers, however, sold their surplus to the outside market, when they needed cloth, sugar, tea etc.

In contrast under the new irrigation scheme they were provided with facilities such as boutiques and townships to buy or sell any items they wished; motorable roads and bus services were made available to

them to travel anywhere; schools were opened closer to the village; and western medical facilities etc, were also provided.

True enough the settlers were provided with allotments of 2.5 acres; but when all these facilities were also made available, the settlers had to find the means to make use of them. They therefore cultivated their 2.5 acre allotments with paddy and were then compelled to sell their produce in order to convert it into money and buy whatever items they needed or wished to purchase. There was an increase in their requirements of goods and thus their requirements of money. The following table No. III shows the increasing number of basic consumer goods and increasing prices of those goods as required by the settlers compared to the few items of such goods and relatively low prices they paid during their purana village life.

These items have been selected as basic consumer requirements after careful observation of the settlers' day to day consumption pattern.

Regular expenses on items such as clothing, transport, education, social functions etc. have not been included. Also, the cost of rice (an important item in the diet of the settlers) has not been included. Daily costs of rice per family would vary between Rs. 10.00 — Rs. 15.00.

Another major cost to the farmer is his cultivation costs which varies between Rs. 1,055 — Rs. 1,180

per acre for each season. (In the new irrigation schemes each settler has been allotted 2½ acres)

Table III below shows how in 1974 when these settlers under the Mahaveli Irrigation Scheme lived in their old (Purana) village their consumption requirements were fewer and the cost of what they purchased was much less. By 1978 when they were resettled under the Mahaveli project their requirements increase and their daily expenditure goes up almost four-fold. After 1978 more rapid inflation sets in and by 1980 these very same purchases cost them over 50 per cent more.

(a) During the time they lived in the Purana village, they consumed kurakkan, maize, cowpea etc. only with coconut sambol or one other curry for breakfast. The majority did not need to buy even coconut at the outside market because the Purana Midellwawa village had about 30 coconut trees. In 1974 an average family spent approximately 30 cts. for their breakfast (according to the record of the village boutique keeper). But their expenditure for breakfast has increased almost 10 fold after they came under the new irrigation project; because about 58 per cent of the settlers buy bread or some other grains and 98 per cent buy coconut from the market. They did not purchase these items earlier, during their Purana village life.

medicine which is available in the area.

(c) The prices of more than 85 per cent of their basic consumer items which they have been buying after they came into the Mahaveli Irrigation Scheme were higher than the prices of the Colombo market, i.e. for coconut oil, kerosene oil, dried fish, sugar, tea etc, they pay more than normal market prices since the shop-keepers charge them more when they buy in small quantities. Total expenditure for the selected basic consumer goods as listed in the table has increased more than six times between 1974 and 1979 and more than 10 times between 1974 and 1980. With school and transport facilities also being made available the settlers had an opportunity to educate their children. They could also now move out and travel, a facility which was earlier not available to them. These advantages, however, have created additional expenses. With the present changes they are forced to clothe themselves better than they did earlier, because they now have to move with new people.

The other important change is the seasonal variations of their income and expenditure, which is not easy for them to adopt to. The following two diagrams show the agricultural calendar of the settlers

They even use part of it on gambling and drinking illicit liquor an old habit which now seems to be on the increase. As seen in the Diagram the period after the Maha harvest also happens to coincide with the festive April New Year season and they are induced by the occasion to spend. Again, after the Yala harvest they find ways of spending their earnings on consumption after repayment of debts. Thus these two periods or off-seasons (as seen in the Diagram) become peak seasons for spending their income. There is no inducement for the settlers to utilize this money in any other way; Moreover, they are not used to saving part of their income for use during the next season.

These settlers are not attuned to modern commercial type of activity where money transactions play an important role. They have transplanted their old traditional subsistence economy behaviour to the new settlements and are therefore not able to adjust their income and expenditure patterns to fit in with the changed circumstances.

It is clear that they would not be able to become progressive farmers and confident of their future unless sufficient training and education were given to them not only with regard to production but also on the value of savings and planned productive expenditure.

Relationship of Cost of Household Consumption on Production and Output

The techniques of the agricultural extension officials are geared mainly to persuading the farmer to use the required quantities of fertilizer, agro-chemicals etc., while the settlers are always more conscious that this factor causes an increase in their cost of production. Therefore when the price of their inputs increase most of them reduce the quantities to enable them to meet their increasing costs; since they lack finances to purchase those inputs in proper quantities and at the time they need them. More than 50 per cent of the settlers did not use fertilizer or agro-chemicals and more than 80 per cent of them did not use the required quantities due to the high prices, which they could not afford. The other implication of the cost of production was that on a number of items new costs had been added and this further increased their production costs when compared to those of the Purana village. Such items now constitute a larger proportion of their costs of production.

Ploughing, levelling and threshing had been done by all the settlers with their own buffaloes when they lived in the Purana village. But now they were forced to hire tractors or buffaloes for these activities under

Table III. Average Daily Expenditure on Basic Consumer Items for 7 Members of an Average Family in a new Mahaveli Settlement Scheme (Rs.)

1974 During Purana Midellwawa village life (Before they were resettled)	1978/79		1979		1979/80	
		Yala	Yala	Maha		
Breakfast	...	2.00	3.75	4.00	...	...
Coconut	...	2.50	2.50	2.75	...	...
Fish-fresh or dried	...	1.00	1.50	2.00	...	...
Vegetables	...	1.00	1.50	1.50	...	...
Onion75	.75	.75	...	...
Chillies	...	2.00	2.00	2.75	...	...
Spices	...	2.00	2.00	2.50	...	...
Sugar	...	1.50	3.00	3.75	...	...
Tea50	.50	.75	...	...
Betel	...	2.00	2.50	2.50	...	...
Tobacco80	1.00	1.50	...	...
Soap75	1.00	1.00	...	...
Kerosene Oil75	1.50	2.00	...	...
Coconut Oil	...	1.00	1.25	1.75	...	...
Medicines	...	1.00	1.50	2.00	...	...
Total	...	19.55	26.25	31.00	...	...

(b). A number of basic consumer items have been added to the family budget after they moved into the new irrigation project, due to change of the village economy. They purchase most of their consumer items such as dried fish, vegetables, chillies etc, from the market at present, due to lack of cultivation of other crops. They pay three times more for western medicines mainly due to the lack of indigenous medicines at present. As an alternative they rely on western

during Purana village life and under the new irrigation scheme.

After the harvest the settlers sell their paddy and receive their income in cash. By the time they get this cash into their hands the off-season has arrived and they do not have any productive purpose at that time on which to spend this money. Instead, what they do is, since they have this money in hand, they spend much of it on unproductive purposes such as visiting market places and the township and purchasing items for consumption.

the new irrigation scheme. because they could not maintain their buffaloes in the new settlement area due to lack of grassland. More than 95 per cent the settlers in the sample hire buffaloes (they hire the buffaloes from outside the area) or tractors for those activities which constitute more than 45 per cent of their cost of production. The threshing which was managed with exchange labour during the past had now to be done with hired labour. 65 per cent of the settlers in the sample hire labour for threshing. Table IV below shows the average cost of production per acre, based on the settlers' expenditure on paddy cultivation. Assuming that they transplant the paddy, about Rs. 620/- per acre would have to be spent on hired labour, even though some families have a high number of dependents in their families. But the settlers who broadcast paddy pay about Rs.

When they give their lands out and work as agricultural labourers they also could avoid quarrelling with others for water or depend on boutique-keepers for credit, and not depend on tractor owners and avoid various other difficulties if they do not cultivate their allotments. By giving it on lease or for cultivating on Ande they would get some money or paddy in addition to the income they earn as labourers. Therefore the majority of settlers who are physically fit to work as agricultural labourers believe that it is far more profitable to become labourers and give their allotments to someone else for cultivation. As agricultural labourers they also find that they are more independent and free of pressures from boutique keepers, tractor owners and the better-off farmers.

In this study we attempted to uncover the factors that have led to the emergence of stratified in-

sufficient economic unit and that the disintegration or perhaps more correctly the transformation of such entity, if it did exist, had commenced long ago, with the advent of British imperialism etc. need not be rediscovered here. What is pertinent to us is that in settlement areas like the Mahaveli H area in the wider physical unit (than the village) within which economic transactions occur (and this includes apart from the obvious marketing: the sale of labour, the leasing of land; hiring of agricultural inputs — e.g. buffaloes, tractors etc), there emerges physical, (and coinciding social — partly as a consequence) pockets of disadvantaged groups. Midellawa is obviously one such pocket. It is part of a social and economic scenario in which it is unable to transact economic activity on an equal basis without exploitation. If this was not so, it would be difficult to explain to the reader how when nearly all the peasants found it uneconomical to cultivate their land, there was yet a demand for their labour for agricultural activities; and the presence of persons with sufficient production assets, capital and improved production techniques which capital would buy, willing to cultivate their land on a hidden tenancy basis.

Looking at this network of factors one discerns three main strands which may be categorised as historical; socio-economic; and deficiencies of settlement management — both at planning and operational level.

The historical factors are facilitative and otherwise. In the former are the climatic condition which ruined the first cash crops of peasant settlers, a trauma which made them lose confidence in both cash crops and agriculture expertise of the M.D.B. Into this also falls soil conditions affecting production initially, with chain consequences for later seasons. The social antecedents of settlers, such as their previous village of residence; exposure to urban influences and State bureaucracy; caste; and educational attainment also may be seen as partly historical and partly socio-economic which we shall discuss later. The non-facilitative historical factors are initial mistakes in settlement management by the MDB.

The socio-economic factors, however, appear the most crucial in determining the marginalization of the majority of the Midellawa settlers. It may be repetitive to sum up here the various socio-economic factors. A running strand through these factors however needs comment — mainly the concentrating of control and access to resources. There appears to be an unequal power relationship among the peasant settlers. This is crucial in

Table IV. Average Cost of Production per acre for farmers in the new Mahaveli Settlement Scheme *

	Hired Labour (Rs)	Draught Power (Rs)
Ploughing and levelling	—	240.00
Field bands cleaning and preparation	120.00	—
Transplanting	200.00	—
Harvesting and Threshing	300.00	100.00
Transport	—	60.00
	<hr/>	<hr/>
	620.00	400.00
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Four draught power and labour	1,200.00	Cost of production per acre
Fertilizer Type I	80.00	of the settlers
Fertilizer Type II	20.00	who broadcast
Pesticide	35.00	paddy is about
Weedicide	25.00	
	<hr/>	
	1,180.00	Rs. 1,055

* This estimate may be lower than the area average because of the low quantities of inputs used and the low production levels, which means that draught power and labour charges are low.

In addition to the steep increase in the costs of their daily food requirements (as seen in Table III) the Mahaveli settlers, like all rural farmers, experienced a steady increase in their costs of production between 1978 and 1980. The breakdown of costs given above shows the farmer's expenditure on working an acre of paddy; these production costs together with his consumption expenses, was exceeding the possible returns from the sale of his paddy. Surveys carried out during 1980 in certain areas (especially in wet zone areas such as Kalutara, Galle, Matara and Gampaha) also show that the farmers level of returns has remained below his costs.

495/- per acre for hired labour. The draught power payment also becomes a crucial issue because the charges seem to increase every season. Some of the settlers earned sufficient income to pay these costs. Yet they did not know how to manage their incomes in the most efficient and economical way to meet these costs. They often did not get their priorities correctly. Most of the settlers who have sufficient production, start their cultivation properly, but do not use fertilizer or agro-chemicals during the growing stage mainly due to lack of finance which indicates the poor planning of their budgets.

come groups in a peasant settlement village, though all sections of this community began their settlement life with reasonably equitable distribution of the two major agricultural production assets—land and water.

The inter relationships, often symbiotic, among these sets of factors emerges in this analysis. It suggests a pattern which may be useful to discern and explore.

Primarily the network is larger, in a physical sense, than the settlement village or segment of it that we have studied. That the village is no longer an independent, self

understanding who will benefit most from the infrastructure facilities provided by the state (water, credit, extension services to name a few). This concentration over a period of time bolsters up the powerful furthering their power and income with the disparities widening as a consequence. Those who have been left out had no access partly because of the social antecedents (the Purana village compared to the Kandyan village was different and ill equipped with poor formal and social education putting settlers from the former at a disadvantage to participate in the whole process). And once this sets in for those left out of the process it is difficult to catch up. For not only are the disparities increasing but those who climbed into power positions, once entrenched will stand in the way of increase in access to the resources by the deprived or disadvantaged groups. Indeed, the disadvantaged groups appear to get sucked into the process as a "resource" and victim. The disadvantaged provide labour and their land for the powerful to grow even more powerful.

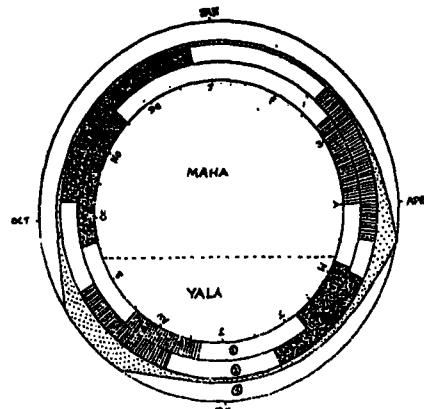
The challenge is to bring the disadvantaged group into the development process installed in the H area. How this is to be achieved is a major problem. The M.D.B. appears to be aware of this problem but it has yet to succeed in meeting this challenge.

Though inadequacy in personnel and management techniques may be contributive, what appears crucial are the structural problems. There is an interlocking of the powerful interests in the village with grass-roots officials in social and other activities, buttressing each other and concretizing the system, with little hope for the disadvantaged to gain access.

Special programmes or special attention were not designed for the upliftment of the poorer settlers amongst the progressive farmers. Therefore, the benefits of delivery services were absorbed by the better-off, progressive farmers. Efforts seemed to be oriented towards supporting the stronger. The community development programme tended to work through educated, progressive farmers (those who formed the better off groups later) who were most responsive to official action. Those 'progressive' farmers also tended to develop close links with the politicians and officials, and turned out to be very influential. They ultimately appeared to be more representative of the emerging elite than of the poor settlers, who were supposed to be the subject of community development.

The need is for an organisation capable of ensuring a stern commitment from the villagers in the

(SETTLERS' OWN CULTIVATION CALENDAR AND THE MAHAWELI TIME TABLE)



- a. Land preparation and sowing Maha and Yala seasons
- b. Harvesting Maha and Yala
- c. Peak season spending their own income
- d. Non productive idling seasons

- 1. = Mahaweli time table
- 2. = Farmer's actual cultivation calendar
- 3. = Farmer's expenditure pattern

planning and implementation of the development of the village. The healthy feeling of responsibility of the villager should not be slighted but exploited in full. If the construction and maintenance of roads, wells, channels etc. in the village is to be the responsibility of the settlers, then he should be made a significant factor in the very process of decision making.

The practice at present leaves the villager out of planning and construction. It must be realised that his involvement in local development would also bring about a healthy change in his mentality. He could then be liberated from his present mentality of dependence on officials. In most cases the emerging leadership in the project area seemed to be maintaining their influence unopposed from below; while from above their status was enhanced, through political leaders and

through the fact that all decisions of the officials were more or less administered by these new leaders.

The actual impact of the settlement programme to date appears to be that growth is localised and restricted to those capable of taking advantage of the facilities being provided. In this way the investment is not being filtered to those groups who actually need to benefit from it most.

It is apparent that future policies would have to be more precisely aimed to reach the "disadvantaged" groups, who are in the process of being marginalised. If the inequality and impoverishment which those groups now face are to be reduced, a more effective provision of extension services and input delivery system to 'marginal farmers' would have to be contemplated and pushed with far more significant vigour.

Forestry in Sri Lanka..... (Continued from page 22)

senior staff engaged in full-time research. For a Department that will celebrate its centenary this decade and which is involved in an extensive forestation programme involving a number of non-indigenous species, its research section is far too small. It needs to be strengthened greatly. Special attention should be paid to areas of research and development that are either receiving no attention at all or are dealt with only very minimally at present (e.g. growth and yield studies of plantation species). Even in the areas where some research and development work is being done, much more could be accomplished if adequate staff and resources are made available. It is strongly urged that a full fledged forestry re-

search institute be established in Sri Lanka. This institute could consist of a central station in Colombo and a few field stations located in the major bio-climatic zones of the island.

Finally, in the sphere of forest administration, it is recommended that the authorities concerned give serious thought to expanding the administrative structure of the Department which has seen little change for more than 25 years. The whole island is divided into only eight forest divisions. This structure is too diffused and hence inadequate to meet the challenge of the eighties when it is expected that an expanded and dynamic programme of research and development will be implemented.