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Socio-Economic Characteristics of Classes in Rural India

The problems of the Indian countryside are of a scale more vast than almost any other economic problem in the world. Almost a billion people live in rural India, and by a simple criterion of poverty – does a family spend more than one third of its income on food? – more than 80 per cent of India's rural people are poor.

The objective of this article is to describe new developments in the socio-economic characteristics of classes in the countryside since the publication of the Report of the Study Group on Agrarian Classes in 2015. In particular, the article deals with the class of landlords and big capitalist farmers, the peasantry and its constituent classes, and wage workers.

The article does not seek to rewrite the Study Report or to repeat large sections of it, relevant though they are. The examples that we use in this article generally come from surveys and studies conducted after the surveys cited in the Study Group Report. These are mainly, though not exclusively, from Bihar, Uttar Pradesh, Andhra Pradesh and the lower Cauvery delta in Tamil Nadu. This is not because the old examples are obsolete – they are not – but to emphasise current trends than those that began in an earlier period.

The article also does deal with the objective conditions of agricultural production and growth in the countryside over the past decade. This has been dealt with elsewhere (see, for instance, Ramakumar 2024 and the references therein). Agrarian research must not lag behind the rapid and complex changes that have occurred in the countryside over the past decade, and this article attempts to track some of the major developments with respect to the socio-economic characteristics of agrarian classes.

LANDLORDS AND BIG CAPITALIST FARMERS

Traditionally, landlord households owned the largest landholdings and most fertile land in the village. These households, now almost entirely capitalist in character, do not engage in manual agricultural work themselves, but employ hired labour to cultivate on their land or lease land to tenants for rent. Their economic power and status are rooted in inherited property and their commanding position in the system of land monopoly in the village.

A newer component of the rural ruling class are big capitalist farmers. Unlike landlords, many of them emerged from rich or middle peasant families who previously worked their land. Benefiting from post-Independence agricultural policies and rural economic change – especially during the Green Revolution – they accumulated capital from agriculture, trade, moneylending, or salaried jobs and invested it in land. Their economic dominance rests on productive development and accumulation rather than inherited privilege.

Big capitalist farmers generally belong to “intermediate” or “cultivating” castes. They have also gained significant social and political power, often comparable to dominant castes. Their landholdings, incomes, and control over productive assets are now comparable with landlords. Notwithstanding differences in their historical evolution and notwithstanding enormous inter-regional differences, landlords and big capitalist farmers have fused into a single class, and should now be considered a single pillar of the state in rural India.

Landlords and big capitalist farmers continue to have large landholdings, from 40 acres to several hundred acres, not counting *benami* holdings or the land of close relatives under their control, in even the areas that we have studied recently. In the Samastipur village, one family owned close to 400 acres of agricultural land. In West Godavari district, if land under crop cultivation and aquaculture are both considered, members of this class can own hundreds of acres; the biggest are continuously increasing the size of their ownership and operational holdings, and now extending their operational aquaculture holdings to the state of Odisha as well.

Recent data from village studies also confirm *inequality*, with the top 5 per cent of households controlling 30 to 60 per cent of agricultural land in the village. In a 2023 survey in western Uttar Pradesh, 5 per cent of all residents in the village owned more than 31 per cent of agricultural land. A 2018 survey in Samastipur in Bihar showed that less than one per cent of village households owned more than 32 per cent of agricultural land. Surveys in the lower Cauvery delta in Tamil Nadu in 2019 and pilot studies in Andhra Pradesh and Telangana this year yielded similar results.

Further, as members of this class leave the village, family members who remain in the village also operate the land of their kin, and in this way extend their control over land. In Nagapattinam district of Tamil Nadu, for instance, one landlord household reported owning 45 acres and operating 73 acres (though village residents said he owned 70 acres and operated 120 acres) belonging to his siblings or others from his caste who lived out of the country. Official statistics showed that 61 per cent of land in the village was registered as being owned by members of this caste, two-thirds of the land being owned by non-residents.

The increasing wealth of this class is especially in respect of the value of the assets they own. The concentration of the ownership of the means of production other than land, particularly in agricultural machinery (such as tractors, combine harvesters, and irrigation equipment) and other agricultural assets in *value* terms is higher than the concentration of the *extent* of land holdings. In the Bihar village in Samastipur, the value of the productive agriculture-related assets of a single landlord household was over rupees 80 crore. Households elsewhere invested in polyhouses and the infrastructure necessary for large export-oriented aquaculture.

Although the foundation or basis of the power of the class of landlords and big capitalist farmers is control over land, land is not the only resource controlled by it, not is land its only or even its major source of wealth. While the concentration of wealth with regard to agriculture and agriculture-related assets is very high, the concentration of wealth with respect to assets that are not immediately related to crop production – money, jewellery, financial assets, real estate, commercial buildings, educational institutions, means of transport, production and processing units, and other assets – is even greater and puts members of this class in a category of wealth-owners that is qualitatively different from others in the village.

If the scale of the household agricultural economies of landlord and big capitalist farmer households is determined by the ownership of capital in different forms, it can also be measured by the income that is generated from land and machinery. Even though village survey data often underestimate incomes, it was not uncommon to find a net income of rupees 10-12 lakhs per acre from polyhouse vegetable cultivation or shrimp aquaculture. Multiplied by even 30 acres, this gives a

minimum income of three crores per year. This reflects the scale of agricultural operations of a household from this class.

A phenomenon now visible across agricultural regions is the expansion of tenancy. As landlords and big capitalist farmers have control over land in a village, they are also able to control land by leasing land in and leasing it out. To illustrate, where agriculture is profitable, households from this class extend their operational holdings by leasing in land from non-resident households and from smaller cultivators. In Bhimavaram, for example, one capitalist farmer was able to acquire control in this way over several hundreds of acres for aquaculture. Conversely, in western Uttar Pradesh, where the cultivation of certain crops such as sugarcane or rice, was still dependent on manual labour, members of this class eschewing direct cultivation, leased land out to poor peasant and manual worker families. In this way, they maintained control over land and labour.

Landlords continue to be at the apex not only of the economic hierarchies of rural India but of its reactionary social hierarchies, particularly of caste, gender and other forms of social differentiation. Landlordism, as E. M. S. Namboodiripad once pointed out, is “not only an economic category but also social and political.”

The detailed features of the socioeconomic characteristics of landlords and big capitalist farmers that are described and analysed in the Study Report are not repeated here. Every aspect of that descriptive analysis remains relevant, and worthy of our attention and study. The important summary points here are, first, that *no aspect of the class power of landlords and big capitalist farmers as described in the Study Group Report has waned*, and, secondly, that, in general, there has been *significant movement by the class in to sources of wealth and income outside the sphere of direct crop production*.

While recognizing clearly the integrity of this class to the ruling class alliance that holds state power in India, we must also take account of the fact that the inability of the state to deal with problems of agriculture and rural development in India and the complex task of advancing the rural economy leads to the announcement of policies that can arouse the anger of even its own support base of landlords and rich capitalist farmers. Such occasions provide opportunities of which the rural working people can take advantage, using them to fight for immediate benefits and relief, including lower input costs, higher prices for output, better market access, cheap credit and effective crop insurance, and so on.

PEASANT HOUSEHOLDS

Peasant households are households whose members participate in some or all of the major operations – manual and mechanised – of cultivation on the land that they operate. The peasantry has shown great resilience as a social category, and the socio-economic characteristics of peasant households have changed across historical epochs. The main feature of the modern peasantry is its subjugation by capital and the market, and by the capitalist-landlord state.

The main changes that we discuss here are with respect to the declining number of days of family labour expended on family farms, the hired labour that peasant households employ on their farms, the extent to which members of peasant households work as wage-workers, the share of crop and other agricultural incomes in total peasant household incomes, and the contribution of peasant households to total village agricultural output.

The extent of participation of working members of peasant households in the labour process in agriculture in India depends on the nature of land use and cropping pattern in each village, and on their economic and social status. It is evident that there has been a sharp decline in family labour on

farms. The extent of decline varies with changes in land use, particularly in cropping pattern, and farming practices, particularly with regard to mechanisation.

The average number of days of family labour undertaken on farms has fallen sharply for men and women over time. Correspondingly, there has also been a decline in the ratio of family to hired labour on farms although the ratio is typically higher than one for poor peasants and middle peasants.

There is a distinct gender differential in respect of family labour on farms. When data are disaggregated by gender, the average number of days of female family labour on farms is a fraction of the number of days of male family labour on farms. This feature of family labour on farms has been observed earlier. In many parts of India, especially northern India, women from rich peasant households did not undertake any (or began to withdraw from) family labour in crop cultivation (though they were typically responsible for animal rearing).

Correspondingly, the ratio of family labour to hired labour among women from all peasant classes was less than one. In other words, the number of days of women's family labour on their farms was always lower than the number of days of female farm labour hired in by these peasant households.

The share of crop income in the total income of peasant households is generally less than 50 per cent, and, with some exceptions, has declined over time. An exception arises when there is tenancy, such as a village in western Uttar Pradesh where poor peasants lease in land both for cereal production and sugarcane cultivation.

At the same time, peasant households contribute a significant share, usually more than 50 per cent, of the gross value of agricultural output in a village. The contribution of the peasantry to the gross value of agricultural production, and the fact that *the share of total production grown by peasant households is increasing* is an indication of the continuing weight and importance of the peasantry in agricultural production. This is a particularly robust finding. Despite the changes that have occurred, the peasantry has not "disappeared;" it continues to have a significant presence and play a critical role in agricultural production and agrarian relations.

The peasantry as a whole continues to be differentiated into distinct rich, middle, and poor peasant classes. There are distinct differences between the classes in respect of the ownership of the means of production, of the way family labour is used, in the extent of labour power employed by households, and in levels of household income.

As mentioned, there are clear differences between rich peasants and poor and middle peasants in terms of the changing composition of income. Sources of income other than agricultural production vary according to the class of the peasantry, reflecting differentiation in education, skilling, and the ability to pay for access to meet the transaction costs of entering more modern sections of the labour market. Among rich peasants, incomes come from salaried work, business, and asset-based returns, while among poor peasants, they lean more on animal resources, casual wage labour, and remittances. The real change in the character of poor and middle peasants is their growing dependence on wage work.

WAGE WORKERS AND PROLETARIANS

The class of landless workers in rural India comprises those whose households have historically been part of the landless labour force in the village, as well as households that, having lost land – the primary means and instrument of production in agriculture – now sell their labour power to others for a livelihood.

All villages in India are characterized by very high levels of inequality in the distribution of ownership holdings of land. The degree of landlessness usually rises with the level of development of

productive forces. There has been an increase, over historical time, in the number and proportion of households that are free from ownership of land. This has occurred in villages across the country, though the factors that impelled the new landlessness differ across region.

As has been noted in the literature, it is difficult today to separate a class of wage workers who work only in agriculture. Rural wage workers work at multiple tasks, agricultural and non-agricultural. The class of wage workers (manual workers) comprises all households that derive most of their income from and spend most of their work time on wage work. And, in most villages, the number of days of agricultural wage work and the share of agricultural wage work in all wage-work, has declined.

Turning to wage rates in agriculture, there was a steady rise in the daily wage rate at constant prices for men and women in all agricultural operations from 2006-7 to 2014-15. The rise in wage rates began after the implementation of MGNREGS and accelerated after 2009-10 (Das and Usami 2023). This phase was short-lived: from 2014-15 to 2022-23, wage rates for agricultural and non-agricultural operations stagnated or declined. In the interim COVID years, that is 2019-20 to 2021-22, wages actually fell for major rural occupations, with a small recovery in the more recent period.

The most noteworthy feature of wages, however, is the very low absolute level of daily wages across the country, with a few notable exceptions. According to the latest data released by the Labour Bureau data (June 2025), the average daily wage for agricultural work was Rs. 418 for men and Rs 334 for women at the all-India level. In the same month, the wage rates in Kerala were Rs. 880 for men and Rs. 638 for women.¹

Rural wage workers no longer necessarily work mainly in the village or local labour markets, but seek work in distant labour markets, often travelling to remote parts of urban and rural India in search of wage-work. The extent to which wage workers migrate varies widely across villages. Skill levels among rural proletarians vary widely, and with these skills, the wage-paid tasks that they undertake, and patterns of migration vary as well. There has been great change in the work that rural wage workers do, with wide variations in job descriptions, levels of remuneration, and forms of payment among workers.

Another notable finding is that the sweep of the market for wage-work now extends across a much broader section of rural households than before.² This phenomenon began a few decades ago and has grown over time. To illustrate, in two villages of Uttar Pradesh, it was found that the number of days of wage-labour at which members of the class of wage-workers worked as a proportion of the total number of days of wage-work worked by all workers in the village was between 55 and 67 per cent in 2023. Conversely, workers in other households contributed 33 to 45 per cent of the total number of days of wage-work in the village.

This broadening of the labour market has important implications for class struggle and proletarianisation in the villages, as wage-workers and poor and middle peasants now constitute the large majority (over 70 per cent) of households in a village. Further, there were workers that did *some* manual wage-work from all other classes other than landlords and rich peasants.

In a discussion of the “significance of these masses of proletarian ‘farmers’ in the general system of agriculture,” Lenin notes that, in the first place, they represent historical continuity (or “kinship”) between pre-capitalist and the capitalist systems of social economy. In the second place,

¹ It is well known that the actual wages in Kerala are actually higher than the wages recorded in Wage Rates in Rural India (WRII).

² See also Ramachandran (2011 and 2019)

the bulk of the “farmers” owning such insignificant plots of land that it is impossible to make a living from them, and which represent merely an “auxiliary occupation”, form part of the *reserve army of unemployed* in the capitalist system as a whole. It is, to use Marx’s term, the *hidden* form of this army. It would be wrong to imagine that this reserve army of unemployed consists only of workers who are out of work. It includes also “peasants” or “petty farmers” who are unable to exist on what they get from their minute farm, who *have to* try to obtain their means of subsistence mainly by hiring out their labour. (Lenin 1910)

In India, although there are continuities between the era of globalisation and liberalisation and preceding periods, it is clear that, since 1991, state intervention and the part played by imperialism in the countryside – that is, the class policies of the state in rural India – have taken qualitatively new forms. The rural poor, particularly manual workers and poor and middle peasants continue to be, however, the great reserve army of labour of capitalism in India.

While the major trend among the rural poor is increased landlessness, and while proletarianisation is further characterised by the spread of the market for hired labour among wider sections of rural households, another important development in some parts of India has been an increase in the share of operational holdings of crop land held by income-poor and land-poor households. The means by which the poor have acquired these small operational holdings of land vary across different parts of the country. The transfers have taken place through purchase, mortgage, lease, government policy in response to the demands of and protests by the working people, and by combinations of these means.

This phenomenon of the acquisition of land by the rural poor is not a reversal of proletarianisation, nor has it reversed the overall trend towards greater inequality in the village. In an important new study of the rural poor in West Champaran district, Bihar, Mrityunjay Pandey examines three ways in which the rural poor – specifically wage-workers and poor peasants – seek to earn their livelihoods (Pandey 2024). These are, first, by seeking wage-work in and around the villages in which the workers live; secondly, by acquiring operational holdings of land through lease, mortgage, or other means of transfer; and, thirdly, by means of migrating for wage-work, generally in the informal sector. None of these strategies, however, have taken the households – as a class – out of poverty and economic insecurity (*ibid.*). This is an observation that is valid for many parts of India, particularly rural areas of high migration.

TRANSITIONS TOWARDS THE NON-AGRICULTURAL

While agriculture continues to play an important role in the incomes and livelihoods of the classes at the two ends of the class spectrum – that is, landlords and big capitalist farmers at one end and wage workers at the other – it plays a declining role in their aggregate incomes and in the time they spend on it (agricultural production and agricultural labour) in the year. While landlords and big capitalist farmers continue to be at the apex of class society and other systems of the social oppression in the countryside, and while they continue to dominate the ownership of the means of production and crop production in rural India, their aggregate incomes are increasingly other than crop-based. Similarly, the non-agrarian occupies an increasing share of the income and time of wage workers.

Wage workers face conditions of low wage rates and high unemployment in the village. Those who travel out of the village earn low wages, but higher than in the village. The conditions of living of migrant workers who constitute the rural and urban informal labour force must remain the subject of separate study.

The peasantry as a whole continues to contribute a large (and often the largest) share of the gross value of village agricultural – crop and animal resource -- output. Peasant cultivation remains precarious particularly for poor and middle peasants. High costs and low yields have resulted in large sections of the peasantry making losses from agriculture. Differentiation has not caused the obliteration of farming on very small plots of land. Such cultivation has, in fact, increased among the poor (through lease, mortgage, purchase, and other means) in many areas. The main outcome of such cultivation is not profit, but subsistence.

At the same time, the main tendency among the peasantry is proletarianisation. Such proletarianization occurs, first, by means of the loss of operational and ownership holdings of land. In addition, proletarianization of the peasantry occurs when large sections of the peasantry spend increasing shares of their work-year and earn increasing shares of their incomes from wage labour. The sweep of the market for labour power now covers large sections of the peasantry, especially the poor and middle peasants.

The phenomenon of the non-agrarian in rural India should not, of course, be overstated. It is a phenomenon that must be analysed with caution, because the share of the non-agrarian in incomes and livelihoods varies enormously, from region to region, for men and women separately, for workers of different castes, and for workers of different ages.

TASKS AHEAD

In a remarkable and important intervention in the debate on agrarian class relations, Sitaram Yechury wrote in 2009 that

it must be kept in mind that *the bourgeoisie has not jettisoned the landlords from the ruling class alliance*. To that extent, this is not a situation of all-in unity of the agrarian sector against imperialism. What needs to be done is to build the unity of the non-landlord sections – our programmatic people's democratic front position. But then, *this will only happen when we build the strength of our core, that is, the agricultural labour-poor peasant alliance*. Only when these core classes rise in strength will the rest of the non-landlord sections of the peasantry rally with us. (emphasis added)

Every single instrument of oppression in the countryside is linked to class – to the rule of landlords and big capitalist farmers.

The link between the agrarian *class* question on the one hand and caste oppression, gender oppression and the patriarchy, the oppression of different sections of our people, the stifling of the scientific temper, and the crushing of a modern, scientific culture on the other – the link between these has sought to be denied in the past and in recent times. We delink only at our peril: as was pointed out at the Madurai Party Congress, delinking these from the class struggle is a sure path into the abyss of identity politics.

Landlords and rich capitalist farmers stand at the apex not only of the economic, but also of the traditional social and modern political hierarchies in the village. The only way to overthrow these hierarchies is to link the struggle against them with the class struggle, that is, by building struggles led by the rural poor. Who else will lead these struggles? The rural rich? Can they be expected to join an alliance against a system of which they are the bulwark?

At no point in history has the objective basis for a wage worker-poor peasant alliance been stronger in the Indian countryside. About 70 per cent of the countryside works for wages – in

agriculture and at non-agricultural tasks: they come from the class of wage workers and from among peasant households (especially poor peasants).

Never before in India's history have the boundaries between the poor peasantry and wage workers been so porous, so interconnected: a person or household is part of the poor peasantry this season and a wage worker the next, or sometimes both together. We can go a step further and say that, in many ways, their demands are objectively the same. Never before in our history has an alliance led by the poor peasants and wage workers had a stronger objective basis.

The task, then, as the Political Review Report approved at the 24th Congress of the CPI(M) held in April 2025 at Madurai indicated, is to build an alliance in the countryside led by the poor peasantry and wage workers – and extending to other sections of the peasantry – to fight for every aspect of the economic and social liberation of the rural masses. It is imperative that our agrarian movement and its cadre in the field in each State choose smaller subdivisions of each State – district, block, mandal, panchayat – and speak directly to poor peasants and wage workers. They must do so in order to identify the most burning issues of income, livelihoods, and social existence of the rural poor and make these issues the basis for united struggle. Ultimately, only struggles led by the rural poor will change the face of rural India and of the society in which we live.

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