

Peasant Migration and Lease Market: An Investigation into a Village

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A much-debated issue in agriculture is the form and nature of tenancy relations. An implicit opinion in the debate is the low turnover in the permanent transaction market for land and any sales that exist are to meet the cash needs of the households. In such a situation the resource adjustments in the market are in the temporary transaction market. But in a village economy which has witnessed a relatively high turnover in the market, resource adjustment takes place in both the markets. In such a village economy it would be interesting to see the form and nature of the lease market.

In the present paper, an attempt is made to study the lease market in an expanding economy. The source of growth in the economy was the provision of water through irrigation. This has led to in-migration of peasants from other areas who had bought land as well as leased land. The nature of permanent transaction market for land was analyzed in an earlier paper where it was found that the seller's characteristics influence the price of land while the buyer's characteristics influence the quantum of land leased. The objective of this paper is to examine whether the characteristics of agents, in which migrant-native character is one important variable, influences the quantum of land leased and the value of rental on land. Here it is seen that migrant-native character of the buyer influences the rental value of rental land but not the quantum of land. In addition, the leasing out agent dominantly influences the lease market i.e., the supply side factors influence the lease market.

Introduction

A much-debated issue in Indian Agriculture is the nature, form and rationality of tenancy relation. The context of the debate is the inactivity in the sales and purchase market and correspondingly the adjustment related to the land market-taking place in the lease market. In other words, an inactive sales and purchase market in land is being viewed as resulting in an active lease market. It is under these conditions that rationality and efficiency of the lease market is analyzed. Here we raise a different question: how does the lease market behave if there are spurts of activity in the sale and purchase market? This paper seeks to understand the factors affecting the quantum and terms of the contracts in this context.

Andhra Pradesh, a state in India, has witnessed peasant migration. These households migrate from their village of origin and migrate dominantly to areas, which have recently received irrigation from a dam project. These households have information on the method to cultivate paddy crop in command areas, which is not available with the households in the newly irrigated areas. These households need access to land so as to be able to use the information that they have. This access could be either temporary or a

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