

## Modeling Migrant Native Contracts

R Vijay\*

*An interesting feature witnessed in Andhra Pradesh (AP) is the out-migration of peasants from their village of origin to areas with 'potential' for assured water supply. These migrations introduced new crops into the area that they have migrated to. It is generally seen that initially the contracts between migrant and native are sale/purchase contracts. Tenancy contracts become more important after a point of time, and within this broad category there is a shift from fixed rental contracts being more widely prevalent form to share tenancy over time. An explanation of the above feature is attempted in this paper. The explanation of the heterogeneity in the contracts is based on differences in the information set on cultivation practices between migrant and native. Here, we assume that the native learn the process of cultivation by viewing the migrant cultivate and in the process reducing the difference in information between the migrant and native. Here, we postulate that the nature of contracts would depend on differences in information between migrant and native.*

In the course of a survey of a village (Annamudram, in Andhra Pradesh, India) to look into the effect of introduction of major irrigation (canal irrigation, following the construction of a dam) on the nature of tenancy contracts, there are two interesting features which emerged :

(a) there was immigration into the village - the migrants were people with experience in cultivation using irrigation. The in-migration, however, is not totally related to the introduction of canal irrigation. The earlier migrants used ground water and water from a tank in the village for irrigation;

(b) the pattern of transactions in land is as follows: initially there is a predominance of sale/purchase. Tenancy contracts become more important after a point, and within this broad category, there is a shift from fixed rent tenancy being the more widely prevalent form to share tenancy, with time. This later phenomenon has also been documented in other village level studies, involving irrigated villages. ( Nagaraju, 1990; Tripathy, 1989; Muddulety, 1988). The present note is an attempt to provide an explanation. Briefly, the explanation offered is along the following lines: the migrant comes in with a new technology, and takes up production in the village. By observing the production process/cultivation techniques, the natives of the village can learn the technology. This suggests that the opportunity cost of the land for the natives changes with increase in knowledge about the technology and hence, the migrant would find it increasing more expensive to buy the land. This would indicate a switch to tenancy, for later day migrants. Alongside, if it is postulated that the shares in the share tenancy contract are in some sense historically given, the fact that the native does not have any knowledge on the new technology suggests that initially fixed rent contracts are more desirable, while, with

---

\* Gokhale Institute of Politics and Economics, Pune 411 004.