

Rentiers and Contractors: The Future of Agrarian Bangladesh

Part 2: The Disappearance of the ‘Bengali’ Farm?

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Overall Context: Legacy of Colonial Feudalism across Bengal

- Discourse on agrarian structure- [Agrarian Impasse, 1987](#)), agricultural growth- agrarian change nexus in ([Sonar Bangla 1999](#)).
- Part 1 of this paper by Geof Wood, sub-titled 'The Agrarian Transition since Liberation' (RAS) focussed upon:
- Agrarian legacy of the region & post-liberation engagement with food security issue
- Contrast between land reform measures in India and market driven processes of agrarian change in Bangladesh
- Heterogeneity in land holding and class relations in contrast to the liberation movement narrative of small independent farmers as victims of neo-colonial exploitation during 1947-71
- Cooperative based small farmer development strategy following the Cumilla model could not comprehensively address post-liberation agendas of improving productivity and inclusive fairness in the context of widespread mass rural poverty.

Purpose of Part 2 Paper

- In continuation of the arguments in Part 1, Part 2 (Geof Wood & Sattar Mandal, RAS forthcoming) is set to advance an extended, grounded hypothesis about:
 - the dis-articulation of the Bangladeshi farm alongside its inherited class relations and the re-articulation of the agrarian system via services and capital investment (entailing both rurbanisation and new forms of class relations and participation).
 - We see this hypothesis as the basis of further detailed research entailing a combination of ethnographic and survey evidence to build on the secondary and trend evidence offered in this paper

3 Agrarian Trajectories

- As indicated in Part 1, the pursuit of this thesis proceeds with reference to three possible agrarian trajectories:
 - i. Continuation of the family farm as petty commodity producers, using family (and hired) labour, bringing inputs into their self-cultivated scattered plots, selling a net marketable surplus if and after family consumption needs are met.
 - ii. **Large-scale commercial farms** using large scale equipment oriented entirely to producing for a national or even global market.
 - iii. Or, a specifically **Bangladeshi hybrid** combining ongoing attachment to land but with cultivators as **rentiers** *de facto* leasing out their scattered plots/ leasing in plots, for consolidated operation and efficiency gains to commercially provided agricultural services by **contractors**, led by irrigation (later on followed by power tillage & harvesting) services.
- **This third scenario is our hypothesis**, which has been tracked since the 1990s (Palmer-Jones and Mandal 1987; Mandal 1987; 1993; 2000; Mandal et al 1996; Wood 1991 and 1999a) in papers on agrarian entrepreneurialism and agricultural re-formation.

Wider context of Agrarian Change

- **Wider context of agrarian change**- large-scale privatization of agriculture, irrigation reform & competitive water market, pro market policies, 'synergies and tipping points', urbanization & RMG, rural infrastructure & administrative decentralization, mobility & gender, migration & remittances, rural markets and non-farm activities, mobile phones – all influenced features of agrarian change.
- **Agricultural R&D system** generated smart affordable **technology** for productivity enhancement and reduced dependence on labour and draft power created new **space for new entrants 'renter' farmers.**

Context of the 3rd Scenario

- The **initial green revolution** was largely confined to the Dhaka-Cumilla belt and small cooperative model under minifundist conditions of small family farms.
- But as observed in Part 1, this cooperative model could not easily be spread outside the **Dhaka-Cumilla belt**.
- The managerial difficulty of larger holdings forced them to **rent out** their **scattered fragmented plots** to other small farmers and sharecroppers, who were still dependent upon larger farmers for land, inputs and draft power.
- **Capital penetrations** in rural economy **comprised new supply chains** and **rural interventions** via dealerships for HYV seeds, irrigation & tillage machinery, fertilisers and pesticides, R&M services, as well as increasing on-field labour operations.
- Along side capital penetration, a steady expansion of **agricultural services connected to technical innovations** took place alongside **agricultural diversification**.

Basis of our Rentier- Contractor Hypothesis

- Review of literatures
- Geof's long engagements in Bd rural research
- Regular links with rural social labs
- My personal life-links with agriculture & rural economy

Disarticulation/Rearticulation of Family Farms

- These trends of capital penetration also heralded new **external flows of liquidity**, through public **subsidies** and more private credit incl. micro-credit, and strongly remittances.
- We argue that **capital intrusion functions to disarticulate** the family farm as the primary production unit and **to re-articulate agriculture as a system of more impersonal exchange between rentier landholders and local service providers or contractors—i.e., the third trajectory above.**
- Bangladesh has not followed **the ‘Punjabi’ model** of green revolution, highly subsidized machines & irrigation. Instead, Bd retain its **home-grown model** –smaller machines for smaller fragmented farms and tenancy arrangements, while cultivators transact with local service providers and contractors to achieve economies of scale in using farm machine services- **‘operational consolidation’ of plots.**
- Thus we consider that the land consolidation problem is solved through **operation and management and not by means of redistribution of ownership**

Two Modes of Service Provisions

- **First**, approx. 50 per cent of arable land, owned & cultivated by **medium and larger landowners** (1 ha +), through **external agricultural service contractors** embracing land preparation and tillage, irrigation, transplanting and weeding as well as harvesting and threshing.
- **Second**, remaining **smaller landholders** (incl. 'new renters' are still acting as small scale, self-cultivating 'family farms', buying marginal services from local service providers (LSPs). They use **remittances and RNF incomes** for buying-in inputs/services mainly from LSPs.
- **The advantages of this second mode** are that:
 - Land belonging to larger and/ or absentee owners can now be cultivated by the new renters more **intensively and productively**.
 - Remaining family farm owners & new entrant renters also make **more intensive use of inputs and family labour, and better crop care**, which in turn result in improving the productivity of smaller holdings.
 - This could be seen as coincidentally consistent with the nationally declared policy of 'inclusive growth', involving landless wage labourers and marginal landholders.

Factors Delaying the Disappearance of Family Farm

- Strong affinity with land - not only sentiment but also economic rationale- a socio-cultural barrier to a large corporate farming model
- **Plurality of contracts**- complex usufruct land mortgaging & tenancy, diverse mode of payment for irrigation, tillage, harvest & post- harvest machine services
- **Hybridity of labour**- diverse engagements, commodified wage payments, differential work schedule+ payment modes for local versus migrated labour- while all these contribute to widening income opportunities, these eventually **dilutes full attention to farming**
- **Significance of rurbanization**, young **members apathy to family farm**, increasing dependence on ageing members further complicates 'farm management' fundamentals.
- These **complications** may postpone or delay the **disappearance of the 'family farm'**, but they remain **consistent** with the overall thesis of disarticulation and rentier status.

DSM1

Conclusions (1)

- This paper (and part 1) highlights the **dismantling of quasi-feudal management of land and labour, and depeasantisation** with the intrusion of capital and new technologies to overcome **'depressor'** constraints to agricultural productivity.
- Sub-division and fragmentation of holdings due to inheritance and population density **posed two challenges-refracting lumpy technologies** into scattered plots, and of **managing labour in day to day farm management fundamentals** (self –employment and supervision).
- **Partial solutions** to this constraint through **leasing and tenancy**, with the **societal price of retaining 'depressed' production**, often threatening household food security.
- This is increasingly tackled by **agricultural service contractors** through the **'operational consolidation' of plots**. Given inter-generational transfers of ever decreasing landholdings, themselves scattered into different quality plots, **the coherence of the family farm as a unit of production is steadily threatened**.

Conclusions (2)

- Under these conditions, **land reform** for either redistribution (ceilings) or consolidation between owners (for operational efficiency gains) cannot solve either equity or efficiency demands, since social processes of inheritance move faster than any policy intervention in taking holdings below ceilings, and any policy to this effect would be rationally resisted.
- The process towards greater market penetration is reinforced by the **dual drivers** of infrastructure investment, roads and administrative decentralisation, which also proliferated growth poles and local multiplier effects.
- RMG industry and rapid urbanization encouraged new patterns of labour migration, eventually internationally, prompted **enlarged demand for food for urban consumers** and the industrial workforce, but also remittance flows back to the countryside.
- **All these contextual conditions** together facilitated the intrusion of capital and new technologies into agriculture, **which hit the wall of ongoing socio-technical depressors in the form of family farms.**

Conclusions (3)

- We argue that these combined pressures produce a hybrid, home grown version of agrarian change for Bangladesh—land consolidation via operational services rather than ownership. But this also entails a separation between ownership of land and the operation of it, with owners increasingly becoming rentiers of their own land rather than direct cultivators of it as farmers.
- The social implication of this logic is to redistribute the returns from cultivation away from the owner-rentier towards contractor operators (including LSPs and rural transporters) and the **agro-industries** and **banks** supporting their capital investment.
- It shifts the appropriation of labour power from the absolute to relative surplus value relationship, commodifying labour in the process (at least partially), untying it from personalised, multi-stranded, interlocked and multi-period transactions.
- The opportunities for labour are not just on the land, but also in the expanded post-harvest and market supply chains. These **commercialized activities** are themselves likely to be interlocked within *mastaan* relationships along the supply chains and rural infrastructure development.

Conclusions (4)

- The disappearance of the family farm in favour of the rentier-contractor mode of production, includes the **breakup of earlier relations of production and exchange**, which tied landowning classes and peasant cultivators into patron-clientelist dependencies. **This is also the process of disarticulation.**
- **The internal logic of the family farm as a multiplex, integral unit of production for consumption and sale, is threatened by the separation between ownership and management of land.**
- It is suggested that the **future of agrarian Bangladesh is being re-articulated, as a process of re-formation, entailing a separation between rights to land and the management of land—perhaps eventually towards more corporate and commercialised agriculture in which the relationship between ownership and management is restored in new hands or classes via large scale commercial acquisition.**
- **Re-articulation** is still far from being complete and **remains a research question (Geof to supplement).**

Thanks

