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**Change and Continuity:
A Contrasting Account of Urban and Rural Transformation**

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CHANGE AND CONTINUITY - A CONTRASTING ACCOUNT OF URBAN AND RURAL TRANSFORMATION

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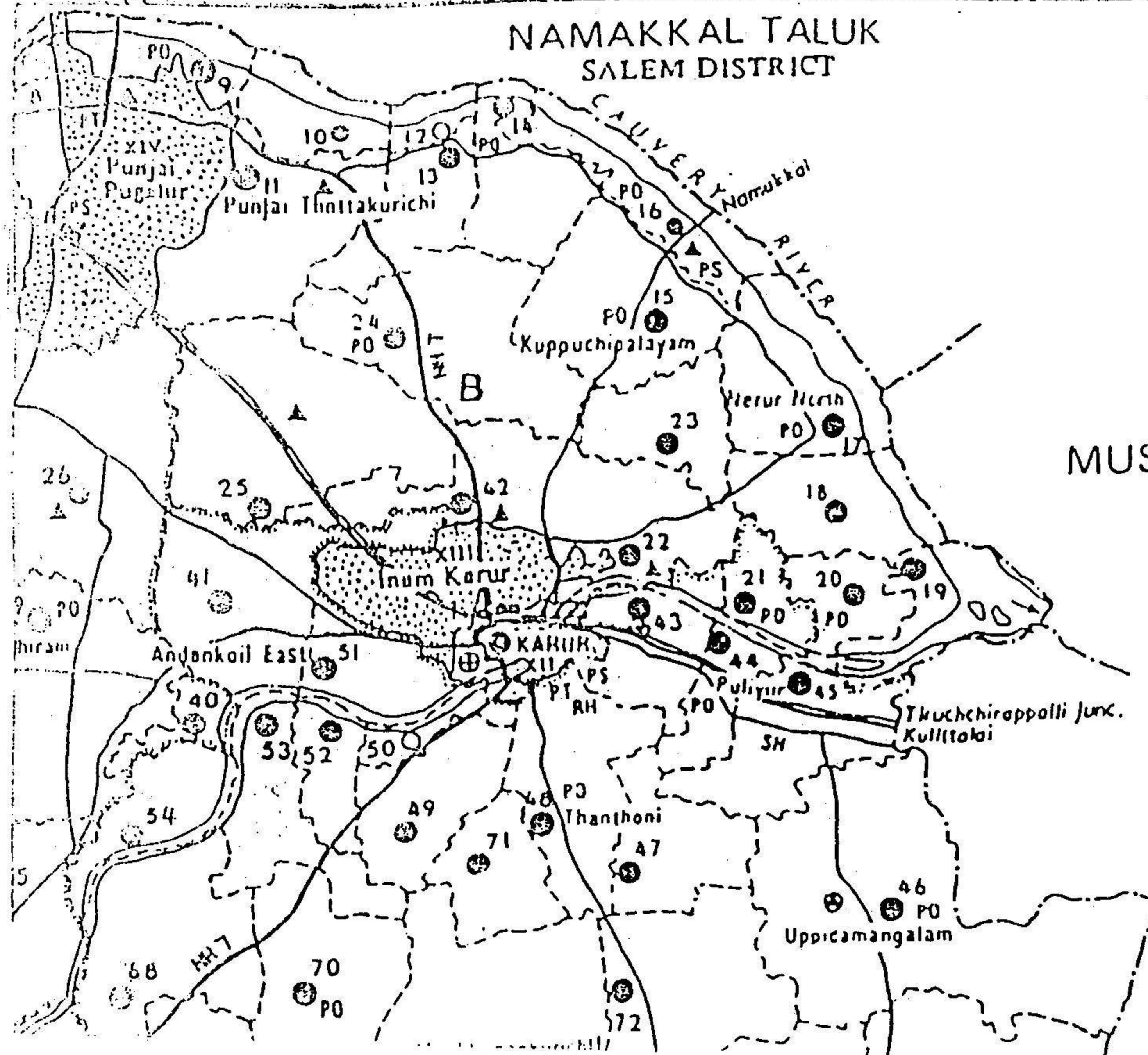
ABSTRACT

This working paper is the revised version of two lectures delivered as monthly seminars in the Institute on 5 Dec. 1995 under the Chairmanship of Prof. C.T. Kurien and on 14 Dec. 1995 under the Chairmanship of Prof. K. Nagaraj. The monthly seminars are conceived to provide in the Institute an interface between academics and the public. So they are not expositions of rigorous analytical/theoretical material but only presentations of a general nature where interested lay-persons could interact with the faculty. As the response from the audience was encouraging, the same lecture material is presented here in the form of a working paper with only minor modifications in the light of the discussions.

Three caveats regarding the material presented: First, The material is based on the weakest of all forms of evidence, namely, gossip. Second, the town and hamlet described are not 'representative' of their class. However, the town is representative -in some respects- of the region which includes towns such as Tiruppur, Namakkal, Tiruchengode and Erode. But the hamlet is somewhat unique because many of its inhabitants had completed primary school education even in 1920s. Third is the inherent bias in such a narrative as most of the informants are from land-owning class.

This working paper narrates how a small town and an isolated hamlet have changed over a period of five decades. It seeks to trace the complex process of social change from the perspective of an insider/outsider. It narrates the accidents that propelled the spectacular growth of the small town. It contrasts the process of growth of the town with the stagnation of the hamlet. In both places, the working class is gaining more and more bargaining power over the years; but the role of trade unions had not been marked in the process. Education is spreading to all classes in both places. With education, women are gaining more dignity in both places, but the evil of dowry is getting worse over the years. Attached labour disappeared from the hamlet, (but not because of the enforcement of the bonded labour abolition Act); and tenancy legislation had no impact (except to assist the bureaucrats in their rent seeking). In the town the role of the State was not felt as much as in the hamlet. Caste practices tend to get modified in various ways. At the household level the injustices of the traditional caste system are felt and are getting eliminated, albeit very slowly. But at a macro level, the assertion of sub-caste identity in various forms is increasing, very often as a response or counter-response to the assertion of other sub-caste identities. So there is a persistent tension which occasionally explodes in the form of violent caste conflicts. Organised crime has made its appearance in the town; and in the hamlet, the illicit liquor manufacture and trade accepted as inevitable. Illicit liquor business links the hamlet in the network of the town's organised crime, although the linkage is very weak. The standard of living has increased in both the town and the hamlet. In the opinion of the author the universally respected values such as honesty, truthfulness and sympathy for fellow humans are on the decline in both places.

NAMAKKAL TALUK SALEM DISTRICT



MUSIRI TALUK

KULITTALAI TALUK

Part -I

Metamorphosis of Karur - Conjectures and Surmises - An anecdotal narrative

'Metamorphosis' refers to change in form or structure as if by witchcraft or magic. Within a period of five decades Karur town had undergone radical changes in certain things. They were both positive and negative changes. The most striking are the following:

- First: In 1940-50, there were probably 20 lakhiers living in Karur. All of them were from aristocratic landed gentry or traditional trading families. Mr.Subba Reddiar 'arrived' as an 'nouveau riche' in late 1940s.
- In 1995 there are 200 millionaires in Karur of whom probably 20 to 30 are from traditional agricultural or trading families. The rest are the 'rags to riches' story.
- Second: In 1940-50 each person's place in the caste hierarchy was well defined. The caste rigidity of the beginning of the century had remained more or less in tact.
- In 1940s the Caste system protected both the core of life cycle ceremonies and the penumbra such as touchability, commensality, employability and entry into house. In 1990-95, the core had remained protected and even had turned more rigid, whereas the penumbra is altering over time.
- Third: In 1940-50, the landlords commanded the maximum economic, political and social power. At that point the Goundars were numerically larger, but the Nayagar, Mudaliar, Iyer, Kandar and Goundar landlords were reigning supreme in their respective areas. Nattukkottai & Komutti Chettiars and Nadars were traditional trading families with a few Konars specialising in Mundi trade. Mutharayars (Kavalgarors), Soliya Vellalars and Nadars were specialising in coconut 'thoppu' contract. By 1990-95, the landlords have become a spent force. Though all communities had become upwardly mobile, the Goundar community had a headstart and so Nayagar and Saiva Mudaliars lost their 'traditional' power as landlords.
- Fourth: In 1940-50, the only place where you could see a set of ten or more graduates in the same place were the High School or Sub-Court. There were only two foreign returned persons in Karur and only one had obtained a degree from Cambridge. But in 1990-95, at least 100 students are reported to be studying in USA, Japan, Australia, Russia & Canada. In 1940-50, there were practically no women graduates while in 1990-95, all the newly rich families, and many from middle class families, are sending their girls to graduate or PG Courses.
- Fifth: In 1940-50, most lending was for agriculture and trade loans mainly by traditional moneylenders and banks. Lakshmi Vilas Bank and Vysya Bank represented organised sector money lending, controlled by Nattukkottai and Komutti Chettiars. Mundis of Konars, Pillais and Komutti Chettiars were the lenders to agriculturists. Komutti & Nattukkottai Chettiars were also the traditional moneylenders to all classes. There were no lenders to give loans for venture capital. But in 1990-95, there are hundreds of Finance Corporations who specialise in giving loans to venture capitalists. Many of the depositors & owners of corporations are marginal farmers, small landowners, traders, service classes and businessmen from all communities.
- Sixth: In 1940s the number of innovators were very low; and innovation was looked upon with suspicion and very often with ridicule. But in 1990-95, innovators commanded a premium and, as stated earlier, they had no difficulty in raising capital for their ventures.
- Seventh: The professionalism of high school teachers was very high in 1940-50. Even though the Tamil Vidwan & Hindi Pundit received lower pay than BT Teachers, their commitment to education was very great. Teachers taught with devotion and students learnt with attention. In 1990-95 I see a reversal in the roles of both. Most teachers are reported to have started side businesses which now engage most of their attention.
- Eighth: The labourer was exploited in 1940-50 as he is today. But there is a major difference now. In 1940-50, they were a hopeless lot. They were resigned to their situation. They believed that fate had condemned them to their station. Today, every one of them has a hope. Their neighbour, cousin, friend or fellow worker had become a rising star in the "rags to riches" story. There is a glimmer of hope; everyone is willing to gamble in the "business". Partnerships are formed quickly and firms appear and disappear in rapid

succession. But hope kindles action and failure no longer deters their attempts as it did in 1940-50.

Ninth: There was no organised crime in Karur in 1940-50. There were murders and grievous crimes. Land disputes and quarrels over illicit sexual relations were the most important causes. There were "Dadas" too. Mr.X was the "Dada" of those days. His 'justice' dispensation was in some respects more just than that of legal systems. But he did not use his "power" to extort from people their valuable property by forcing them to sell at less than market value in his or his political boss's favour. This is precisely what modern 'Dadas' are doing in the nineties. The modern 'Dadas' are part of an organised crime network associated with illicit liquor and allied trades with nexus to politicians, police and criminals.

Tenth: The sudden increase in wealth had bypassed the depressed sections, especially scheduled castes, till the early 80s. By a curious accident, some of them became unexpected beneficiaries from the 80s onwards. Strangely enough, this did not result in an attack on the rotten core of the Caste system. Instead it helped the caste system to absorb its critics and opponents into its core and only strengthened it.

Eleventh: "The winner takes it all" mentality might give a glimmer of hope. But it also has put a price on all values. A general feeling that if you dispense the right amount of cash, you can do anything, get anything done - is threatening all basis for order. This has started eroding the power of the institutions which helped bring the prosperity to Karur.

Juxtaposed with the situation in the decade of the 1940s the changes would certainly justify my title for the paper. But an attempt is made here to explain that the changes happened incrementally, that they were the results of a series of favourable accidents that changed the forms of organisations, that they flowed from innovations which were instinctive responses to particular situations prevailing at that time and that they modified the accepted modes of behaviour in the region. By and large they all were reducing transaction costs at all margins. Though the original innovators tried to keep their innovations their monopoly, the nature of the innovations prevented that attempt. The prosperity is more the result of successive favourable accidents rather than any design or plan. Except the increase in general level of education which helped to intensify the process, the role of the state was marginal in the process.

In late 1940s, after Second World War, there was a boom in traditional bedsheet production in Karur. Dominated by a group of traditional Hindu and Christian Kaikola Mudaliar families, the business was booming. In the town itself the trading classes - mainly Komutti Chettiars & Nattukkotai Chettiars - were the wealthiest. LRG Naidu & D.S.Mani Aiyar were the bus owners and were very rich. But the rural rich, mainly from Goundar, Thottia Naicker and Velala Mudaliar communities - by virtue of the value of landed property commanded respect.

The nationalist movement indirectly, and the self respect movement directly, challenged traditional values and loyalties. E.V. Ramsamy took his message to the masses, and C.N. Annadurai captured the hearts of youngmen. It was paving way for social change rather than the cause for social change.

In 1948, Mr.Annamalai Mudaliar, the textile magnate, was one of the richest men of Karur. He was the biggest wholesaler of yarn, a commodity which was scarce in the boom time. He built several houses in succession and owned two horses. Mr.L.R.G. Naidu - a fleet owner - owned a Chrysler fluid drive car - a super-luxury of those days. Two accidents in quick succession brought two innovators to the foreground. There was a strike in Annamalai Mudaliar factory - inspired by Communist and Dravidal Kazhagam Parties. After a lathi charge, the crowd ran amuck. Some one set fire to the godown of Annamalai Mudaliar. Several hundred bales of cotton yarn was burnt down. It created a tremendous scarcity for bedsheets, especially for those going "on line". M.K. and K.P., a company which was started in 1940s seized the opportunity. Mr.K.P. was making money by venturing into the new field of cinema distribution with his "Jai Hind Pictures", and a few 'hit' pictures gave him unexpected returns. Using this money he purchased yarn in 'black market', produced bedsheets by 'putting out' system and met this unexpected demand. He made quick money. It whetted his appetite. He wanted to change the "on line" system altogether. His partner Mr.M.K. did not want to take huge risks. So they parted company. Mr.K.P. started his "Amarjothi Textiles".

The second accident was the decision of one of the sons of Mr.LRG Naidu to start a Dakota Air Service. He was reported to have negotiated for the purchase of a plane. New Industrial Policy made Airways a State Monopoly. This forced him to sell the aircraft at a loss. It made the family to be prepared for eventual nationalisation of all bus services. They began to diversify. One of the fields in which they entered was "Bus Body Building".

(Another accident was the first reported attempt at exports of textiles from Karur to England by G.C.Velasamy Chettiar in 1949 - but nothing more is heard about it.)

The organisational changes these two started began to pay dividends in the 1950s. The change from "going on line with goods" to "distribution through samples", reduced transaction costs enormously. In the 'on line' system, bedsheets, towels etc. would be produced, stored and then transported to godowns in different towns in the north. Then a representative of the company would go to the different towns, take whole bedsheets as samples, canvass for business in and around the town, and supply the demand with the stock in the godowns. In the other mode, 'sale by sample,' the representative will carry in a briefcase small pieces of the design and quality of different bedspreads, obtain orders, produce and send them within a stipulated time. Amarjothi fabrics was reported to have started the "distribution through samples" system. Amarjothi fabrics had a fabulous growth. KP's brother-in-law, in partnership with CRN, started CRN & Co. The real "business brain" in CRN & Co was a 'Mudaliar'. There was a healthy rivalry between CRN and Co & Amarjothi Fabrics. 'Anar Textiles' and 'Pasupati Textiles' were also new entrants of that period. It did not take long for the established Mudaliar families to adopt the "distribution through samples" system. However Amarjothi fabrics had a head start and captured the Bombay Market and held it till mid 70s. Anar Textiles captured the Delhi market and were dominant there till mid 70s. The "going on line with goods" disappeared from Karur textiles scene altogether in late 1950s.

LGB Body building introduced a new line of business in Karur. Namakkal pioneered in Lorry Body Building - starting a boom there. It was LGB which first introduced diesel buses in Karur area. One of their partners "Salem Services" were the first to introduce a diesel bus in India in 1948. [A Ford chassis with Perkins Diesel Engine supplied by Simpsons. LGB introduced Bedford Chassis with Perkins Diesels]. Mechanics in LGB also fixed Perkins Diesel Engines meant for buses in the chassis of Ford cars - and for a time, that was a successful business in Karur.

Now another of the accidental push factors happened. CRN & Co. entered into a contract with M/s Binny Textiles to supply a contracted number of bedspreads in late 1950s. Binny in turn sold them in their retail outlets in India and also EXPORTED them. Mr.V.Mudaliar, a partner of CRN & Co. watched Binny exporting their manufactures to foreign countries. He tried to do so directly. CRN & Co is reported to be the first successful exporter of textiles in Karur. They obtained their first Letter of Credit (LC) and their first export was to France or Australia. It happened in 1957 or 1958. They were the first to instal a telex in their premises in Karur.

Mr.K.P.had the largest market share of internal market in early 60s. But CRN & CO had become 'exporters'. Mr.K.P.used a novel method to obtain information regarding US markets. He financed the trips of (mainly Engineering) students who had already obtained Fellowships from US Universities. In turn, they sent him market information with which he established export contacts. For a time these two kept the addresses of foreign importers as top secret.

But on the same day the manager, master, dyer, Accountant and a few others under KP's employment deserted him and joined rival companies. It was rumoured that they took with them all foreign addresses. From Mid-1965, Karur textiles were being exported to US, UK, Australia and African countries. The break-up of K.P's monolith was yet one more of the accidents which were pushing Karur towards the new direction.

The growing internal demand and the first entry into international market led to a feverish activity in manufacturing bedsheets and furnishing fabrics. The production of dhothis declined; and that of towels increased. Curtain cloth, pillow covers etc. were new products which were introduced. More and more Jacquard looms came into use. New designs were introduced. Men skilled in those processes began to command high wages. Competitive bidding for special skills by new entrants increased their wage level.

Dyeing in which Tirupur had natural advantages, shifted back to Karur and became a specialised occupation. Though Amarjothi, Anar and CRN & Co had their own dyeing plants, they were unable to meet their entire needs. They began to contract out. In order to retain skilled workmen, it became common to offer 'effort share' - i.e., a small percentage share in the business as a partner to the skilled worker. This incentive mechanism is now common to the entire region. In course of time, the skilled worker would accumulate his profits in the 'effort share' and start his own business; or invest it in the business to ultimately become an equal partner.

The 1960s saw the rise of 'Finance Corporations' (FC hereafter). Organised moneylending existed even in 1940-50 in urban sector. But their number and volume of transaction began to increase rapidly in 1960s. The sources of finance were mainly four: (a) self generated from textile trade - worker's savings, profits of partners, and unaccounted money earned in the business; (b) unaccounted money from service professionals, black money from boot-legging and others available for moneylaundering and (c) money from

'sale of land' by landlords who were afraid of getting caught in by tenancy problems and (d) money collected by informal chit funds from village labourers and marginal farmers.

FCs are an emerging non-standard economic organisation in the Kongunadu region. Hundreds of FCs are providing finance for small and medium venture capitalists in the entire region. They would invest a portion of the total capital from their own sources and apply to FCs for the balance.

The FCs are loosely knit organisations. 10 to 15 partners would invest, each one a modest sum of Rs.10,000/- or Rs.20,000/-, and the organiser usually a larger sum, to start the FC. Every partner in one FC could also be a partner in other FCs, and many of them do so. Each partner would mobilise and collect deposits, utilising his friendship, informal contacts and caste networks at rates of interest varying roughly at present from 12% to 18%. They lend money to the applicants both on personal and collateral security at rates varying from 28% to 36%.

Intermediation in high risk credit markets requires that at least three conditions must be satisfied

- a) Depositors must have reasons to believe that they will safely get their money back with interest
- b) Lenders must have confidence to get the contract hazards mitigated and
- c) High risk borrowers must have a hope that they would be able to raise the needed capital.

The FCs fulfil these conditions and are thriving.

The most distinguishing feature is that they lend money on personal security; and that skilled labourers, (weavers, dyers) who 'knew the job' could get short term loans for, upto one year, from these FCs. No single 'FC' would lend the entire needs of a budding entrepreneur; but seven, eight and occasionally even a dozen different 'FCs' would lend some amount each to him. If he succeeded, they get their money and a fairly good return; if he failed, the risks were borne by a large number of people. Once the firm turns stable, i.e., after the risks are reduced to tolerable levels, organised finance will be available at lower rates of interest, which released funds for new ventures.

So the textile market received an influx of many new entrepreneurs in 1960 - many of them who were skilled labourers in 1950s - and all of them had only one goal - capturing a slice of export market.

Old institutions were adopted to new uses in 1960s. Take for example, the 'Kattai Panchayat', an old institution. In its new form it was used to settle the bankruptcy proceedings of Mr.N. in late 1960 or early 1970s. He started a grocery shop - a mini-departmental store. For a time it grew very fast in the booming times. But he overreached and was unable to meet his liabilities. A 'Kattai Panchayat' was constituted for arbitration. It apportioned the available assets among a dozen finance corporations and other individual lenders, but left him enough to survive with a lower middle class existence. Mr.Y, who then was managing an ancillary business related to Lorry and car business, who was one of the survivors of Mr.X's gang, (and who had no gang with him at that time) promised to 'enforce' the agreement. All the creditors agreed to the sharing [which was reported to be 57 paise for every rupee lent plus fifteen paise per rupee after Mr.N's real estate was disposed of.] The adoption of 'vihidacharam' - i.e, percentage share in the total assets as determined by the Panchayat is almost universal. The truth of Abraham Lincoln's reported statement about court battles, "...the nominal winner is the real loser - in fees, expenses and waste of time" was recognised and acted upon. Wilful defaulters were generally dealt with by extra-legal means, including organised violence, but it generally happens only rarely. Even in those cases, the caste leaders of the borrower would be requested to intervene and persuade; and when it fails, violence is organised as a last resort. The Finance Corporations have routinely adopted 'vihidacharam' to reduce their transaction costs in Karur and to enforce their agreements. In fact the dynamics of this region to a certain extent depends on the Finance Corporations.

What are the causes for the success of FCs? Most important, the arbitration is by a group of noninvolved panchayats composed of members from other FCs and local caste leaders. If on the basis of the evidence they had gathered their verdict is that the borrowers default is not a wilful act, then the FCs accept their verdict to share the loss proportionately, the proportions determined mainly on the basis of amounts lent by each corporations.

Several millions of rupees are lent in this informal market in this entire region where hundreds of borrowers are benefitted by this system.

The FCs are successful because the organised money market suffers high transaction costs. Gathering information about the potential borrower, monitoring his operations and recovering money through courts are all costly procedures for the organised money market. But in the FCs these operations are informally arranged at a much less costs.

If credible commitments are devising ex ante safeguards against ex post opportunism, then it works in a special, novel way in this region. The partners in the corporation could mobilise large amounts of deposits only if there was general hope that they would keep up their promises. In a dynamic environment where everybody is trying to move upwards as quickly as possible, FCs provide a legitimate avenue to fulfil the aspirations. Every depositor knows one or more of the partners, personally and can invoke the support of the caste organisation if the partner breaches his promise. The money would be lent only to 'trustworthy' persons, whose trust usually was attested by one of the partners. The corporations are able to monitor the borrowers at very much less cost with the use of this net work. At least, one of the partners would be able to find out from family and friends where the entrepreneur is currently operating, whether in India or abroad. In the same way, the borrower has ambition to expand his business with the profit he earns. He is equally aware that if he delays repayment or defaults in repayments, his future expansion possibilities would diminish, as he could not count on the support of FCs. In this network, word spreads fast about defaults and delays in repayment. Also, the FCs realise that wherever there was default, it would be wiser to accept the verdict of the panchayat rather than to go through the complicated and costly court order. Without much formal written contracts, this system of informal contracting provides credible commitments to all the parties involved reducing contractual hazards. In case of detected wilful default the system employs extra legal methods including violence to get back the money. The fact that those incidents are very few indicates the success of this mechanism.

Meanwhile, in the lorry business, new stars began to appear in the 60s.

The demand for bus and lorry chassis exceeded supply. Benz and Leyland Chassis were in great demand; Fargo chassis was not so favoured. In early 1960s a primary school teacher, known as "M" resigned his job to start a poultry in Karur. He failed miserably within one year. He went to lorry business and booked a large number of chassis with borrowed money. He got "Namakkal bodies" for a few, and sold the remaining chassis for a premium. He repaid his loans with the premium money and was richer by a few lorries. Then he entered into 'load contracts' with firms such as BHEL and Chettinad Cements; and also with the harbour. By mid-1970s he had more than 50 lorries and in early 1980s was reported to own more than 100 lorries. V.K.G., who started as a small time money lender, was another 'lorry miracle'. There were a few others owning anything between 5 to 50 lorries. [Namakkal & Tiruchengode were the real 'lorry capitals' of Tamil Nadu. Karur, Namakkal & Tiruchengode together account for about 25% of all lorries registered in India!]

There were other minor changes. The "Emur" families were in dairy business from 1930s. They switched to modern dairying in 1960s and enlarged their business. Most of the family moved to other parts and in 1990, Vangal dairies - distant branch of the family - had come to Adyar! Mr. "Porikkadai M." started a "Pottukkadalai" factory (Roasted Channa) and became a millionaire in a decade. 'Deluxe' P. pioneered in the production of 'Marriage Album', which was a collection of a series of photographs of the different events of any marriage ceremony - and was immensely rewarded.

1960s also saw the revival of caste associations. The Kongu association was then pleading for inclusion of their community in "backward list". They decided to build a marriage hall and donations were sought from textile magnates. Two brothers offered, unsolicited, a sizeable sum. Actually their father was a Goundar and was ostracised by the community in 1920s for having married a girl outside the community. So he left for Sri Lanka and his two sons were born there. They returned to Karur in 1930s as tailors. In mid 1960s they were among the richest among textile magnates. The brothers wanted integration into the community and the community wanted donations for their cause. So 'inclusion' into the community was mutually beneficial. The money was accepted, and, by implication they were included into the community. It is stated that only Mr.K.P's contribution was larger than that of the two brother's for the construction of Kongu Mandapam! Similarly, there were reported marriages among Christian and Hindu Mudaliar families in Karur.

Upto mid 50s, the Karur textile owners and other businessmen were practicing untouchability - i.e., the schedule caste labourers were not employed; or if employed, were segregated. But the demand for labour far exceeded the supply and labour had to be drawn from the agricultural hinterland. By 1960s even that source was getting exhausted. The nearest source was the four scheduled caste settlements on the four sides of Karur town. The inevitable happened. In the textile factories they were employed and gradually, in the factories, untouchability ceased to be practised. But strangely enough, this has not prevented the same factory owners from continuing this detestable practice at their homes! But these practices are disappearing very fast.

Thus there are two opposite forces at work with reference to caste in Karur. On the one hand, caste-links were weakened, especially in maintenance of the ritual purity status. With the growth of the

town and its commerce, the activities in the periphery such as touchability, entry into the house, and inter-dining became tolerable among all castes. There was, first, the problem of identification for discrimination; and second, the problem of enforcement of caste taboos. In the urban setting, both became impossible. On the other hand, caste-links became strengthened because of other reasons. Caste networks help in identifying potential depositors for finance corporations, in securing repayment of loans, in the recruitment of dependable skilled labourers, in arranging for arbitration in disputes - especially in relation to credit - and in locating partners for venturing into new businesses. While at a micro-level, the caste prejudices are understood to be senseless, at a macro-level, the assertion of community identity helped in furthering the business interests. So caste associations vie with each other in building Kalyana Mandapams (marriage halls), renovating community temples and in building welcome boards at the entrance of the town and villages along the highways. In 1990s they spend enormous sums in organising state level conferences with huge processions to match. The State also pandered to such displays by naming Karur as the headquarters of the newly formed Dheeran Chinnamalai Gounder District. In 1940s, only a few among the Gounders themselves have heard about this hero who refused to pay tribute to Mysore conquerors and who fought the British. In late 1980s, the State itself has named one of its transport corporations after him, without the caste appellation. But suddenly in 1995, the State has chosen to add and parade the caste name in the newly formed district!

In the 1960s Karur got integrated into the organised crime network of Tamil Nadu. It came with the introduction of prohibition immediately after Independence, first in some districts and later to the whole of Tamil Nadu. An enterprising taxi owner purchased foreign liquor from Pondicherry, (then a French territory) and smuggled it into Karur and upto Coimbatore. He became rich very quickly. But it was only the beginning. In most of the villages, illicit liquor was brewed and was sold in the respective villages and also in Karur. The police raids became more frequent. Each brewer was paying "Mamool" separately to the police force in the beginning. But in course of time, intermediaries appeared who paid "Mamool" to all the levels of police force and law enforcement agencies. In turn the brewers found it cheaper to pay them a regular cut in their revenues for protection. This 'syndicate' had its tentacles spread throughout Tamil Nadu, and Karur became just one more link in a big chain.

In the late 1960s or in early 1970s one more of the accidental push factors operated. There were two banian factories in Karur-Meenakshi Knitting Co & Karur Knitting Company. They were started in 1930s with second hand machinery purchased from Calcutta (At the same time, similar factories were started in Madurai & Tirupur). In 1940s they specialised in 'eyelet' banians - a net like knitting which economised yarn consumption and was then in fashion. They went out of fashion in 1950s. The banian factories still continued, but had switched over to regular banians. The old machines were lying unutilised.

In the late in 1960s Mr.M.R. Sabapathi of Palamapuram who was a bank employee in Catholic Syrian Bank in Bangalore, had a brilliant idea. Why not use the idle machines to produce nylon fish nets? Mr.M, the younger of the two brothers mentioned earlier, put the idea into practice in the beginning of 1970s. He bought the nylon filament from Bangalore and used the eyelet machines to produce the fish nets. The market then was centered in Bangalore & Mangalore. But some one had another idea - why not stitch mosquito nets out of the material? The idea caught on. The market for nylon nets became national. In course of time, a factory to produce the nylon filaments was also started. Now there are more than fifty filaments factories in Karur. Some twenty crorepathis of Karur today had moved up through this route!

In early 1970s, there was a big strike in LGB transport division. After that LGB began to divest their routes. Some of their former employees and a few textile owners purchased their routes. The LGB body building division itself was sold to two or three independent companies which were formed by the former employees of LGB.

In the late 1970s, the export market had become fiercely competitive. New designs and new patterns, new methods to increase productivity and new machinery to do the job were welcomed. Quicker communications meant greater profits. Most export houses started having telex connections and electronic typewriters. In the nineties, they switched over to computers and fax machines. Karur is said to have over a 100 private fax machines and only two commercial public faxes today! in the early 80s, going to foreign countries to establish personal contacts with their importers and to canvass for markets became a necessity. P.K.G. & his brother P.R.G. had only a trustworthy person in a female - PKG's daughter, Ms. D. - to do the job for their concern. With the full backing of her husband and family, she flew to foreign countries, and was highly successful in canvassing business. At first there were derisive comments - then it turned into a matter for wonder and ultimately admiration. She became the role model for a few other women entrepreneurs. She is reported to have visited all the continents of the world. Unfortunately she died of natural causes at quite a young age.

In the boom town, feverish construction activity began only in 1970s. For the new millionaire, a house was dead capital. So they waited long enough before plunging in. Once the fever caught on, there was no stopping it. Real estate prices skyrocketed. Speculation fanned the fire. Now a price of Rs.6 lakhs per ground of 2400 sq ft.in the outskirts is normal. The outskirts on all the four sides were scheduled caste settlements. Their lands suddenly became very valuable. Unfortunately, many of them had sold their lands in the initial phase of the boom itself. But a few held on. They were rewarded handsomely. The few, who had only half an acre, are worth 50 lakhs! A few among the newly rich scheduled caste families seem to have started enterprises of their own. But they are said to be major financiers for their caste associations in the same way as the other caste people are for their associations.

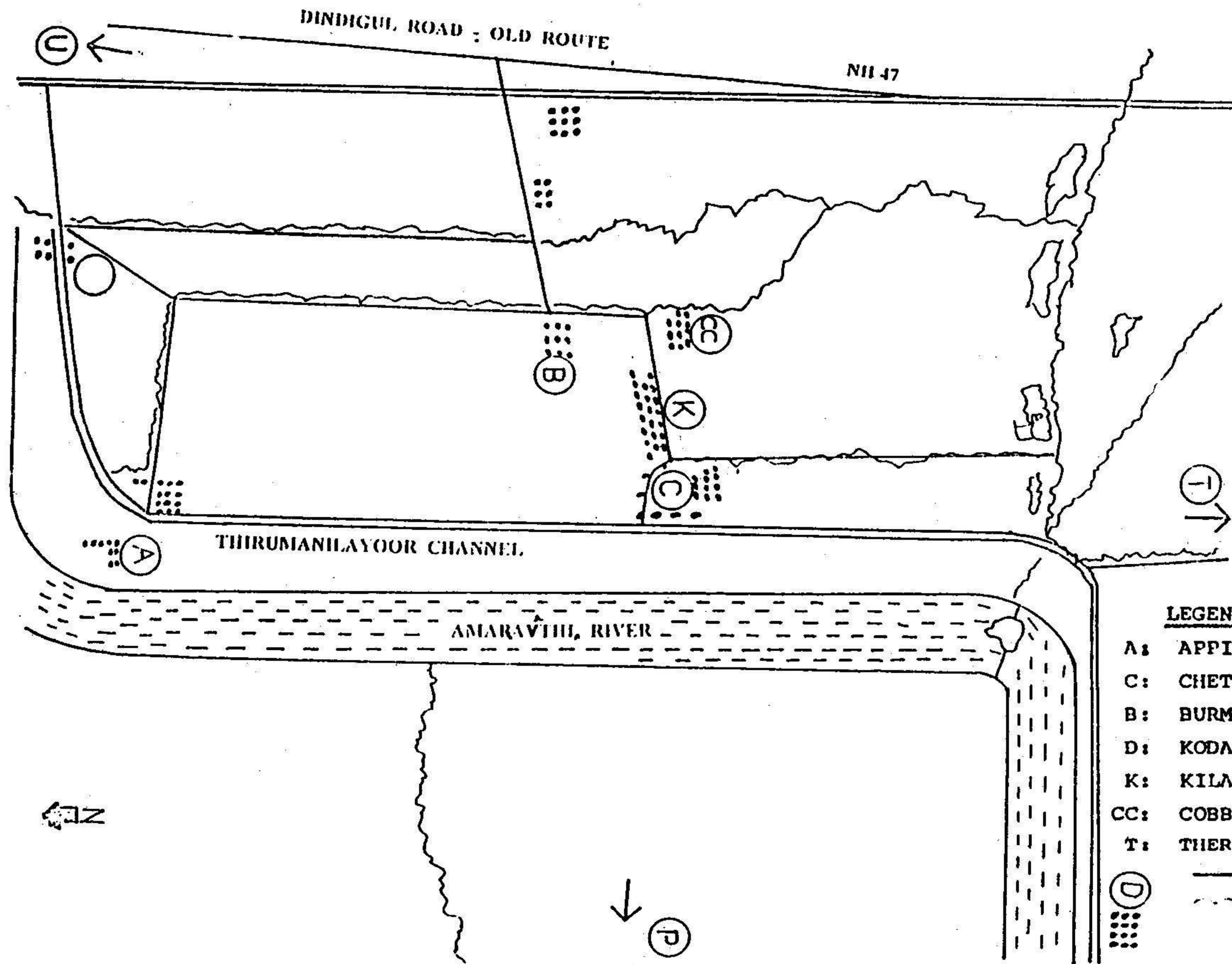
From 1980s a new wave of 'politician - criminal gang' nexus has started developing. Rigging arrack shop auction was and is their main avenue of activity. From that they graduated into real-estate grabbing - a hugely profitable adventure when successful. Against them, the "Kattai Panchayat" methods did not succeed. In fact, they intruded into the "Kattai Panchayat" itself through their agents. Before long, rival gangs grew up to challenge and - to a certain extent - control them. But the activities of the original gang and the financing of the rival gangs - are all "transaction cost" enhancing kind of activities.

The phenomenal rise in real estate prices in and around Karur town and along the arterial highways from Karur had suddenly made marginal and small dryfarm owners in those places richer than the richest wetland owners of yesteryears! For example, a 8 acre dryland owner of Kulathupalayam (2 km away from Karur) is now worth 8 crores - richer than once the wealthiest farm family of the same caste with 200 acres of "Kaveri Nanjai" - the best wetland available - in Karur Taluk. The impact on caste hierarchy can be imagined. The newly rich want to show it off before their former 'superiors' - and so weddings and ear piercing ceremonies are becoming extravaganzas at atrocious expenses. Spending one lakh rupees to build the "rath" (Chariots) for funeral is not uncommon nowadays!

The values of the younger generation differs markedly from that of their elders. Many of the new crorepathys of today have not forgotten their origin. Many of them proudly proclaim that they were workers in the factories which they own now. But their children do not approve of that! A few of them have openly quarrelled with their parents for admitting their humble origins. Soiling their hand with manual work is again considered to be demeaning. Going abroad for higher studies is not merely to improve their academic or business prospects - it is now a status symbol for the newly rich. So they would send their children to third rate institutions in USA and Australia spending enormous amounts. This mentality has not spared the labouring classes as well. In Karur today a graduate could be easily hired for a monthly wage of Rs.500/-; but in the neighbouring village, the daily wage of a farm worker is Rs.50/- a day. Within Karur, it is even more - and labourers to do manual work are not available!

Dyeing is an activity in which environmental degradation is high and transaction costs are increasing very fast. In the late 1930s, the two banian factories of Karur used to send their output to Tiruppur for bleaching. The Noyyal river water had a chemical composition which made the cloth sparkling white. But when bedspreads were to be dyed, Amaravathi river water was found to be good enough. In the 50s, every major textile producer had his own dyeing factory integrated into it. In 1960s, the wages of skilled dyers shot up. The new manufacturers contracted out dyeing to new dyeing shops started by those skilled men. Gradually more than 100 independent dyeing companies were started; and some of the established exporters closed their dyeing sections because they could not retain skilled workers. Aniline dyes were used for fast colour. The water used in those factories are allowed to flow into the river, which has become a major drainage for effluents. The water in and around Karur got highly polluted. The State Pollution Control Board started taking steps to control the activity. So the dyeing factories have used the corruption/influence peddling route to survive. Unlike Tiruppur, where the dyers are atleast trying to collectively find a solution, there is no such signs visible at Karur. The "Mamool" is becoming a very high proportion of the individual dyers costs!

Now consumerism has trickled down to the lowest rung of the ladder. The thrifty worker of yesteryears who saved to build up his capital and to start his own business is getting replaced by a new set who would speculate in real estate or stock market to make a quick buck. Competition has reached the point where success by any means - fair or foul - is the sole aim. So corruption, nepotism and all the ills in their wake have become more acceptable. The old institutions with their mutations which reduced transaction costs are becoming increasingly ineffective. Will it lead to a reversal and eventual increase in transaction costs leading to ultimate decline? Or wil new institutional adaptations take place and new accidents push up the town still further upwards? It is difficult to predict the direction of change.



Part II

METAMORPHOSIS OF CHETTIPALAYAM - CONJECTURES AND SURMISES - ANECDOTAL NARRATIVE

CHETTIPALAYAM is a hamlet in Appipalayam revenue village, located 10 kms south-west of Karur, which has now become a district headquarters. The hamlet is an ancient place of settlement and Ponnar & Sankar (the legendary heroes in "Annamar Kathai" or "KUNDRUDAIYA GOUNDAN KATHAI") were born in 'Athi- Chettipalayam' - probably in the "Natham" three kms southeast of the present hamlet.

In the 1971 Census, Appipalayam village contained 518 households with a population of 2112. In 1981 the number of households had increased to 654 and the population to 2549. The total area of the Appipalayam village is 944 hectares. Appipalayam village consisted of many hamlets including Chettipalayam, Vellaiampalayam, Therkoor, Kilakaloor, Burma Colony and Coolinaickanoor.

Between 1940 and 1995, there had been many dramatic changes in the hamlet. As in the first part of the paper, I shall summarise the most striking among them:

- First: The splendid isolation of the hamlet is gone. Even in 1940, the village was connected by a metal 'District Board Road' to Karur. It ended in Chettipalayam as a cul-de-sac, a blind alley. Bullock carts, horse drawn carts and cycles were the only known modes of transport. The farthest places which most of the villagers visited was Karur; there were many who had not visited even Tiruchirapalli, only 80 kms away. There was only one battery operated radio which came to the village in late 1950s. Now a town bus makes three trips every day. There are about fifty mopeds now. Through local co-operation, a dish antenna has been installed and Doordarshan, Raj TV, Sun TV and ATN are available. Many people from the hamlet have visited Madras, thanks to political party's subsidy of the trip of party cadre to the city. With the erosion of the isolationism, traditional status relationships are changing rapidly.
- Second: In the 40s, the place of each person in the village was pre-determined by his position in the caste hierarchy. Their social universe was determined in terms of their transactions of the various endogamous castes in the village cluster. Relative wealth played an important role, but even the wealthiest would not have dared to challenge the traditional practices of the time. The soul of the hamlet laid in its group identity. Whether it is protection of property rights and survival through self reliance, the group had precedence in 1940s. Now the individualism of the town has penetrated to the hamlet and it has become more linked to market. There were gains as well losses in this process; but the losses are much greater in certain crucial respects.
- Third: In 1940-50, Amaravathi was a perennial river, in the sense that a small stream of water was always flowing even in the severest summer. But in 1995, the river bed is dry definitely for five months in a year and very often upto seven months. The extent of irrigation river water has increased manifold, but much of it is "illegal". The mode of irrigation in the 40s was either through natural flow or through "Kavalai" - i.e., animal power. Now the "Kavalai" has completely disappeared and electric & diesel pumpsets have replaced them. Water distribution to the fields were only through field channels in 40s; but direct pumping through cement pipes, especially over long distances has become more common now. In 1994, a barrage has been constructed across the river.
- Fourth: There was a semi-symbiotic relationship between agriculturists and artisan class in 40s. Now that relationship has completely been broken in the hamlet; and except for a few remnants, the old artisan class has disappeared now. New skills are needed to repair electrical and diesel pumps, agricultural machinery, spray insecticides and transport commodities. The off-farm employment has developed along the new lines and the linkage of off-farm activities is more with the town than with the hamlet itself.
- Fifth: The cropping pattern has changed on account of extension of irrigation, changes in relative prices and also because of increasing labour scarcity. Korai, tobacco, horsegrams, and chillies grown in 1940s have disappeared altogether. Sugarcane, turmeric and paddy cultivation have increased. Mulberry, jasmine, sunflower and soya-beans are new crops introduced. The only old mango grove of 1940s was destroyed in 1950s. Now more and more mango and coconut groves are appearing in the village.

- Sixth: The labour contractual forms have changed beyond recognition. In 1940s most large and small farmers had "attached labourers". Each had one or two living in the household eating their food in the family. All the large and small farmers had cattle pens, generally under a 'shepherd' - attached labourer. The large farms had a 'farm-supervisor' usually an 'attached labourer', whose position was one commanding pride and respect. Now "attached labour" has almost disappeared. Even in the few farms where it survives, it is on the basis of an annual cash contract, paid in advance. In 1940s each important household had one or more child labourers to assist in the domestic chores including cooking. Now it has almost disappeared. In 1940s wages were paid mostly in kind, with occasional cash payments. Now wages in kind had disappeared except in paddy harvest.
- Seventh: The hours of agricultural work has declined dramatically. In 1940s the workers would come to the farm at 7 a.m. and leave for their homes at 6 p.m. with a one and half to two hours break during lunch. Now they come at 8 a.m. and leave by 3 p.m. with a break for one hour at 11 a.m. In 1950s female labour was paid 4 annas and male labourers 8 annas as daily wages (25 paise and fifty paise). But now it is Rs.20/- to Rs.25/- for female labourers and Rs.40/- to Rs.50/- for male labourers. In 1940s there was almost an unlimited supply of labour compared to the present situation when the landowners have to pay advance payment to ensure supply during busy seasons.
- Eighth: The hamlet was a lot more self-reliant in 1940s than it is now. The houses were built with locally cut bricks burnt in local kilns using local artisans. The agricultural implements were mostly locally fashioned with local materials then. Even the "SEER", ritual presents, consisted of local produce such as grains, fruits, vegetables, pots etc. and external purchase was minimal. Even those purchases were mainly from nearby 'Thursday Shandi' at Manalmedu. In their life style all classes, from the local landlords downwards, except the brahmin priest, were eating local grains, including coarse cereals; the lower the class, the greater was the dependence on coarse cereals. Now almost all have switched over to rice eating and dependence on outside markets have increased. The "seer" nowadays consists almost exclusively of purchased produce such as stainless steel vessels, apples and oranges and such things. The clear difference which demarcated the 'shandi produce' from 'town market' is disappearing fast. Stated differently, the hamlet is getting more and more integrated to a market economy. Tooth paste, powder and shampoo, unheard of in 1940s in the hamlet (except among college students coming to the hamlet during vacation) have become products of general usage now. Correspondingly the local material such as neem or banyon saplings for brushing teeth and "UNJAL LEAF" powder for bathing are becoming rare.
- Ninth: In the 40s, the State affected the hamlet's people mainly through the Police & Revenue Departments. Their representatives evoked fear (a colonial legacy) and respect (due to relatively honest administration and enforcement). There was a fairly well organised co-operative credit society. The role of the state has increased considerably now through land reform legislation, subsidy for agricultural inputs, distribution of rationed commodities, provision of social services including protected water supply and street electrification. Now State evokes much less fear and almost contempt (because of the rampant maladministration and corruption at all levels of its representatives). The co-operatives have become another State organ suffering the same infirmities. The net effect is a clear negative change in the values of the common men and women, disrupting the invisible common threads that bound them together in the past.
- Tenth: In 1950s politics played only a minor role in the hamlet's life. The village acted more as a vote bank under the control of large farmers; though there were well organised DK (later DMK) and Communist party cadres. The Panchayat elections of 1960s brought 'dirty' politics to the hamlet. Now it has become as dirty as can be!
- Eleventh: In 1940s there were no land reform legislation. Now there are many, but none of them are enforced. However the unenforced legislation has given vast scope for revenue officials to engage in rent seeking behaviour increasing transaction costs all around.
- Twelfth: Change has brought forth new innovations to use two phase electric current for three phase motors (illegal), to quickly patch leakages in pipe lines and to directly pipe water. New skills are demanded and the value of traditional skills which were at a premium in 1940s have declined dramatically.

- Thirteenth: The land prices remained stable for a long time; but began to increase after mid-60s. In the last four or five years there is sudden spurt upwards. The gap in relative prices of dry and wet lands are getting reduced.
- Fourteenth: Most of the large farmer families have sold or are selling a portion of their landholdings which are purchased by local marginal to small farm households. This, together with alteration in relative value of dry lands, had reduced the power and prestige of large farmers. There is considerable upward mobility within the same caste hierarchical relations.
- Fifteenth: A few of the status relationships of 1940s have been replaced by contractual forms. The village errand-men have disappeared. Except for washing clothes, payments in kind on the basis of status, has disappeared, though the relationship continues with service castes only for life cycle ceremonies. The peripheral disabilities of the untouchable at village level have disappeared; but untouchability itself is still practiced. A few households permit them inside their houses; and inter-dining at marriage reception was permitted by one or two families recently. Two households have employed them as domestic servants - and villagers 'wink' at it. It is done in the sly and not 'openly'. But there is growing support to them from younger members.
- Sixteenth: In 1940 there was a District Board elementary school in the hamlet and a private teacher giving tuition mainly to girl children of rich families. In 1950s both were closed. Now there is a panchayat school in the outskirts of the hamlet; and a middle school 3 kms away. In 1940s only children of rich families went to high school. Now graduates have come up from all classes and the first candidate of the hamlet from a Scheduled Caste family graduated in 1990s.
- Seventeenth: The village folk arts have vanished. The leisurely pace of life is also gone. The folk-drama, story narration through songs, 'sparkle soondu' during karthigai, palm-fruit cart for children, palm-leaf rattle making, coconut leaf toys and the kongu culniery items served during the village festivals have also gone. They are replaced by Cinema, Video and Television, and Contract cooking during marriage and festivals. The flora and fauna have changed. Fox, *Canis*, *Canis* and *Canis* have become rare which were very common earlier. The rabbit has become extinct. So is Villaranai, a rare type of snake. *Canis* and *Canis* are becoming rare. *Canis* and *Canis*, *Canis* and natural mushroom are nearly extinct.
- Eighteenth: The alteration in the value systems are unmistakable. The group identity was dominant in 1940s. Village institutions worked in conjunction with the state in maintaining channels and irrigation rights, in protecting porambores and in settling disputes. Now party politics and market penetration has eroded group identity, though occasionally traditional practices are revived after a lapse of time as in [Moy-Labour] exchange of labour among marginal farmers and village ostracisation to enforce decision in land disputes. The dowry evil has penetrated the labouring classes and girl children from the age of ten work in farms to accumulate money for their own dowry. The individual identity is getting asserted and the lower classes fiercely protect their 'dignity' by refusing to take up household employment. Capable village youth, especially from the original landlord families and labouring families, have out-migrated; and the left-outs are not good farm managers or farm workers and are very often failures. Drinking was a matter of shame in 1940s and was confined to individual homes; but now it has come in the open and illicit liquor flows freely in the hamlet. Theft, cheating and petty crimes which were kept in check and remained hidden in 1940s are accepted facts of life in the hamlet now. At least in one instance individuals reacted to even a heinous crime like murder in the hamlet in 1990s as city dwellers do - indifferently!
- Nineteenth: In the hamlet, as in Karur, there had been major changes. But unlike there, they are not propelled by successive accidents. They are responses to external and internal stimuli - the external stimuli coming through the market, especially through its influence on urban market. As in Karur, here also certain individuals played catalytic roles which hastened change.
- Twentieth: Unlike the neighbouring town Karur, where the mood is one of cautious optimism, the general mood in the hamlet is one of pessimism and defeat.
- In a sense, the hamlet was unusual. It was entirely inhabited by "Pangalis" - consanguineous relatives by male line - except for one family. In its present location, the first to build his house was a migrant from

Cauvery village - Kadambankurichi - in the middle of last century. He had two sons; the first had four sons and daughter. The second had five sons. All the nine sons lived as a joint family. In course of time two other 'Pangali' families migrated to the hamlet. All of them were hard working. The eldest of the nine caught the "education" fever. So he saw to it that all the boys of his, his brothers and cousins were given at least primary education. One of his sons became an elementary school teacher. Even by 1930 the hamlet of 40 houses had four SSLCs and one of them was sent to England for higher education. Upto that time all the families had nearly equal wealth. But the great depression changed their fortunes completely. Six of the nine brothers declared insolvency then. During the second world war, one had recovered his fortune back. Of the other five, the degree of success varied, though none of them had completely sunk.

Chettipalayam itself had less than 100 houses in 1950. The Amaravathi river runs North-South by the side of the village. Parallel to the river, with a gap of 150 metres, runs the Thirumanilayur channel. In a sense, Chettipalayam is a elite hamlet because only land-owners reside there. Excepting a few service caste people, no landless labourer resides in the hamlet. Even in 1950 there was only one family of black-smith, one potter, four families of dhobies, five families of Mauviliyar, one family of Konor and one family of Chettiar. By 1990, the Konor, Chettiar and potter have left the village. The rest were Vellala Gounders. The blacksmith is too old to perform and his son-in-law is not carrying on the ancestral profession. Of the four dhobi families, two have outmigrated. But one family immigrated from Sri Lanka. Many of the descendents of the land owners, especially those who entered the business or those who entered the professions, have outmigrated. Due to outmigration about a third of the houses in the hamlet are empty or dilapidated. The landless labourers of the Goundar caste reside in Kilakalur, which also contains a large number of small and marginal land holders. It lies about a quarter kilometre east of Chettipalayam. Further east is the cobblers' street. A kilometre south lies the Burma Colony where a large number of landless households and marginal farmers reside. Two kilometres south of Chettipalayam the Coolinaickanoor; and adjacent to it is Therkoor. The former is a landless labourer-cobbler-hamlet and the later is a marginal farmer, landless labourer, Goundar dominated hamlet.

OVERALL CHANGES

There is a change in the life-styles, transport and modes of behaviour. The landless labourers, especially the Scheduled Castes, showed differential survival behaviour in 1950s. Now, except among the old people, this has virtually disappeared. In the 1950s, there were many persons in the village who had not gone beyond the nearest city Tiruchirapalli, about 80 km away. Even going to the nearest town, Karur, was a rarity. Now things have changed dramatically. People move about freely. For political rallies they are picked up, and are able to travel up to Madras with subsidies for their food and travel. There they are open to influences from outside. The T.V. also plays a role in the influence. Now all classes desire to be clean, neat and presentable. All these have their impact on their life styles.

Their food habits have also changed dramatically. In 1950s, even the rich land owner households included coarse cereals like cumbu and ragi in their regular daily meals. To-day, excepting a microscopic minority, almost all have given up eating coarse cereals. Instead, all have become rice eaters. Sugar has replaced jaggery, especially in the preparation of coffee and tea. In 1950, in Chettipalayam hamlet, there were two riding horses, five horse drawn-carts and seven or eight double bullock carts both in the passenger and goods categories, and three single bullock carts. By 1970, horse drawn carts and single bullock carts had disappeared. Now the double bullock carts for carrying passengers have also disappeared. Only double bullock goods carriers with tyre wheels survive. There are more than 50 two-wheelers, majority of them, mopeds, in the hamlet now. The first moped came to the hamlet only in 1978 or 79. The hamlet is linked to Karur by a bus from 1984 which makes three trips a day.

There is a gradual decline of the big landlords and the slow, but steady progress of enterprising marginal and small landowners. The land owners of the Chettipalayam hamlet had canal irrigated wet lands across the river. Their land reforms generated a caste war in 1960s which the landlords won. This will be narrated later.

However, after winning their battle, within a period of 20 years, all the big landlords of the hamlet sold their wet lands across the river. These have all been purchased, mostly by marginal and small landholders of the Goundar community; though a few Pallars have also have purchased some lands from these landowners. Quite apart from this, even in the adjacent area to the hamlet, a portion of big landlord's land has been transferred to marginal and small land holders.

There is a major change in the composition of labour force for agricultural operations. The impact of urban demand has dramatically changed the composition of labour force. In 1950 almost all the labour force of the hamlet, both men and women, were employed locally. In 1990 all men from the hamlet go for urban jobs and only women are engaged as agricultural labourers. During sugar cutting season, even among the

women labourers, young and energetic women joined the teams of 'cutting contract workers' and moved to the neighbouring villages. In the 1950s all landlord families had attached-labourers who shared the meal of the family. In 1990 the system had virtually disappeared. Now there are a few families who have labourers on the basis of annual contract, but even their numbers are declining.

The next change is in the field of education. In 1950 only the children of rich landlords went out of the hamlet for high- school education to Karur. For the rest, education stopped at the primary school level. But there is a sea change now. Almost all families send the children to study atleast up to middle- school level, and many, to the high-school level. A few graduates have come from the artisan class and marginal farmers. This is true of the Scheduled Caste also. Only the cobbler community remains as laggards, though there is a graduate from that community also in the hamlet.

The village had no electricity, no post-office and only one radio in 1950. Yet it had an elementary school and a district board road. There was no protected water supply. Now electricity and drinking water has come, street-lights had been installed in most of the hamlets. In 1990s, in Chettipalayam and adjacent hamlets alone there were 30 TVs and 50 mopeds. Surprisingly, the elementary school is closed in the Chettipalayam hamlet, but one has sprung up in Burma Colony. There is now one telephone in Chettipalayam, and more than 100 applications for telephones are pending.

SERVICE CASTES AND LIFE CYCLE CEREMONIES

In the caste hierarchy each one's position in the social set-up was pre-determined by tradition. There were service castes in the hamlet performing their functions which made the hamlet nearly self-reliant. The carpenter made the plough, assembled the wood cart and also supplied the door frame and the doors for houses. The blacksmith fashioned the rim for the cart wheel and supplied iron agricultural implements. The cobbler stitched the water bag and also supplied the chappals made mainly out of the torn water bags. The Thotti, water Kangani, Pandaram and the brahmin priests were all performing pre-determined functions. In addition, the Mauviliyars and the cobblers also served as village errand boys, carrying messages. They received payments in kind once or twice a year which was pre-determined according to the status and land area of the household who received the service benefits.

What was peculiar in the system was that there was no direct relationship between demand and supply. To cite an example, dhobies would receive as remuneration half a bag of paddy plus one meal per day in households (a) and (b) and having the same status and wealth. Household (a) might have 10 members and household (b) might have only 2. The fact that the household (b) has less work than household (a) did not alter the traditional payment due to dhobi. So also, the Potter would give to each household a pre-determined number of earthen vessels on the eve of Pongal. Only when some households wanted more, did money payments come in.

There is now large scale commercialisation of the life-cycle ceremonies of the castes. To each one of the events connected with birth, marriage and death, certain ceremonial rituals were attached. Attendance among relatives and "pangalis" for these ceremonial occasions was compulsory, especially in the case of death rights. In the 1950s most of the tasks associated with these rituals were performed by the caste-men on a cooperative basis. To cite an example, if there was a death in a family, information about the funeral would be sent to all relatives through messengers. The cobblers and the mauviliyars by the status relationship were to act as the messengers. They in turn would get payment in kind, mostly grains, from families which received the death message. The amount of grain paid depended on the propinquity of the relationship. For performing the funeral rights the relatives had their traditional obligation such as the 'kodi' or new piece of cloth to be placed over the dead body, building the 'chariot' to carry the dead body, providing meals for those attending the funeral, and providing the firewood for the funeral pyre. The brahmin, pandaram, drummers, barbers and the dhobies performing their role in the life cycle ceremonies were paid in kind and also in cash. These payments were customarily determined. Now-a-days most of these things have become commercialised. The meal on the day of the funeral, is no longer prepared by the pangalis on a cooperative basis. It is generally arranged to be served in a pangali's house. But contract cooks and servers have replaced the relatives themselves cooking and serving.

The daughter's families no longer build the chariot. They merely pay a flower contractor who decorates and prepares the chariot. For burning the body the old practice of each family giving a log has disappeared. Now-a-days, firewood or coddung dry-cake 'virati' is purchased. So, eventhough the life cycle ceremonies continue, the status relationship are maintained only for the main ceremonies and subsidiary events and activities have become commercialised and are dealt with by contracts.

LABOUR CONDITIONS AND WAGES:

SERVICE CASTES: Monetisation of the system came slowly, but steadily. The potter was the one to lose customers fast. Even by 1960, the use of earthen vessels for cooking and for storing began to decline. Except for the traditional distribution during Pongal, the extra payments disappeared with declining demand for earthen vessels. Excepting in a few households, the traditional mode of storage of grain in 'Kudir', an earthen contraption, had also disappeared. The old potters's sons did not carry on with the traditional occupation. When the old man died, the family moved out of the hamlet. Strangely enough, his sons still come to claim their traditional moiety during the life-cycle ceremonies. For example, at the time of a funeral, the potter is entitled to get 8 to 16 litres of rice from the households depending on family status, and he in turn would have to supply a waterpot. Now he purchases the pot in the town and comes to supply the pot during such ceremonies and receives his share. The same is true for the barber and blacksmith.

Where the role of the service caste in the life-cycle ceremony is absent, the traditional payments have given way to monetary payments. The carpenters services are no longer required because bullock carts and ploughs are fast disappearing. So the descendants of the carpenter charge piece rates for their supplies, but the old man and his wife continue to subsist out of the traditional payment made to them by a few among the many families, who still own bullock carts and ploughs. This is done more out of sympathy for the old-couple than out of necessity.

The service castes were receiving payment in kind. But agricultural modernisation led to the decline of payments in kind. For example, the cobbler made water bags and stitched chappals. In return, the households gave them 'kalam' rights. He was entitled to whatever leftover grain was available in the 'kalam' after the second threshing was over. The pump set revolution destroyed the need for water bags. The demonstration effect ensured that the chappals made by the local cobbler look inferior. So the traditional skills of the hamlet's cobblers were no longer required. So landlords gradually ceased payment of 'kalam' grain. Except those traditional servants who play a role in the life-cycle ceremonies, for other service caste people the traditional payments in kind have virtually disappeared.

The net result of the change is the virtual disappearance of self-reliance in the village. In 1950 the children had their hair-cuts in the house, wore the chappals made by the village cobbler, played with the palm carts supplied by the local carpenter. To-day they have their hair-cuts in barber shops in town, wear the chappals made probably in Kanpur and play with toys made in places unknown to them.

PANNAYAL/PANNAI-PAKKI SYSTEM:

The Pannayals of the large land owners in the past were of two categories. They were either 'meal servants' or 'grain servants'. The 'meal servant' lived with the family and was supplied with meals in the households. In addition, he will get as remuneration one bag of coarse cereals plus Rs.8 to 10/- per annum. The grain servant lived in the farm house and received 8 to 9 bags of coarse cereals plus a bag of paddy and also Rs.15 to 20/- per annum. The pannayal generally acted as the prime workman of the family and also the supervisor of the labour force. He led the plough team. He had special skills in levelling the ground with 'parambu'. As long as the system survived, the loyalty of the pannayals to the landlord households was real. They were treated as part of the family and shared the household's joys and sorrows. The 'meal servants' were fed with meals prepared out of cumbu, ragi or cholam. Rice meals was supplied once or twice in a week and on festive occasions. The system of 'meal servants' began to decline due to many reasons. First and foremost, there was an increase in payment of male labour in the neighbouring town, Karur. The urban wages were relatively very high and it began to affect the rural wage structure. A second influence was the increase in the intensity of work. The pannayal was a 24 hour servant. This became a liability for him in the 1960s. When electricity came, and when electricity supply for agricultural purposes was given only in the night because of insufficient generating capacity in the State, irrigating the land became mainly a night time occupation. It increased the inconvenience of work of the Pannayal. When fertilisers were used, not only the crops, but also the weeds grew very fast. In the normal course, for the groundnut crop there would only be one weeding. But in the irrigated fertilised ground-nut crop, two weedings became necessary. Thus the intensity of work for Pannayals increased. Third, there was a technology change. There was pride in being pannayal. When he led the plough team, others followed him literally and figuratively. His skill in training the bullocks for water - baling, ploughing, and for cart-pulling, in levelling the fields with 'Parambu', in broadcasting the seeds evenly over the fields, in sowing the seeds at regular intervals behind the plough were all valued, recognised and applauded. When tractor ploughing came, and other changes in technology made those skills unimportant, the pride in his work was lost. Fourth was a change in attitude in 1950s. In the early period, to be a 'meal servant' did not offend the ego of the person. But gradually they began to feel that it was beneath the dignity of a person, to work for a meal. All these factors worked in combination to destroy the system and it had disappeared totally by 1990.

But the 'grain servants' continue even though they are also declining in number for the same reasons. Their bargaining strength in relation to that of the land-owners has increased considerably. Now they are paid an advance of Rs.3000/- or Rs.4000/- and get a monthly wage of Rs.800 to 880/- per month or its paddy equivalent. They could change to other land-owners, but must pay back the advance before they leave service. The competition for securing their services is so great that the land-lord to whose service the Pannayal wants to transfer his services is more than willing to pay that advance and debit it in his account. Compared to casual labourers, their jobs are secure. Still most would like to go away. They point out that they are at service 24 hours a day. Casual male labourers working for 7 hours a day receive Rs.50/- per day for their work. The casual labourers also do not have as much responsibility as the pannayal. Further, employment is available throughout the year, and job security is not as important as it once was. So it is becoming increasingly difficult to get capable pannayals even by big land owners.

The attached labour system became unattractive for the labourers and unremunerative for the land owners. With the spread of new technology, the type of skills which were at a premium during the heyday of the pannayal system, lost their prestige value. Leading a plough team, assigning the work among farm labourers and artisans, distributing the rewards according to the tradition, capacity to train the bullocks for baling water or for ploughing, which were all valued skills of the past, were all becoming irrelevant. At the same time, the owner's valuation of attached labour also began to change. For the land-owner the type of skills required for the modern agriculture were different from the type of skills for which the attached labour was justly famous. Supervision cost under the new technology became very high because the traditional Pannayal had no training in the new skills required for the cultivation of HYV varieties. The transaction costs increased. So both sides gained advantages by changing the system. No wonder the system itself has decayed. Attached labour became uneconomic and disappeared. It is not due to the enforcement of the law prohibiting bonded labour.

During the '60s and early '70s new technology came piece-meal to the village. The immediate impact was a dramatic increase in the demand for labour. New technology, especially HYV paddy, demanded more irrigation. The land owners having land adjacent to the riverbed started laying pipelines from that piece of land to the other fields. The extent of irrigation increased. For making the cement/concrete pipes and for laying the pipelines a large amount of labour force was demanded. This was done in the slack season, during summer when the river was dry. The increased demand increased the bargaining power of labourers.

The new technology increased yields. But it also demanded new types of skills not available earlier. Maintaining oil pumpsets required specific skills. Unlike the earlier practice of applying farmyard manure which was generally broadcast and ploughed, chemical fertiliser had to be applied by the side of each stalk or stem. So, new fertiliser use demanded more labour. Fertilisers increased the growth potential of the crop. Much worse it also increased the growth potential of the weeds. In 1950s there would be only one weeding for the 'spread variety of groundnut' which matured in 140 days. But with the irrigated crop of 1960s, two weedings were required for the 'bunch variety of groundnut' which matured in 110 days. New technology reduced the period needed for the crops to mature in many cases. In 1950s, the popular varieties of paddy were Samba varieties. Kichidi samba matured in 150 days and yielded 20 to 25 (55 kg) bags of paddy per acre. Seeraga samba matured in 160 days and yielded 18 to 20 bags. These were the variety of rice raised by the rich landlords for their own consumption. But the HYV varieties introduced in 1960s such as IR8 matured in 120 days and yielded more than 40 bags per acre. The short duration of the high yielding varieties permitted the land owners to raise two crops instead of the usual one within the "secure" irrigation period i.e., middle of August to middle of March. Only in this period assured irrigation was expected. This was the most important cause for sudden increase in the labour demand. This was reflected in the rapid increase in wages during this period.

This excess demand for labour also started affecting the forms of implicit and explicit contract. Double cropping within a limited timespan increased the demand for drought animals and ploughmen for a time. Sowing and harvesting time became very critical. Landlords had to ensure supply of labour during peak season, if they wished to raise two crops within the 'secure' period. A delay of 15 days might mean the end of a chance to raise the second crop. So some landlords started paying advance payment to labourers to obtain assurance of supply of labour at critical periods. This was an important cause for the decline of payment of wages in kind.

This was also the period in which the 'supervisor pannayal - Pannai Pakki' of the farm household lost his importance. He was the one who made the divisions when 'wages in kind' were paid. He was the one who determined what should be left in the threshing floor for the cobbler to take as his 'kalam share'. He was the one who determined who should be hired for the farm work. In all these things his influence declined or disappeared.

The wages of the casual landless agricultural labourers were stagnant for a long time. Upto 1950s, the landlords' power over them was nearly total and complete. During the times when there was excess demand for labour, such as sowing and harvesting, the labour supply could be augmented by drawing from the marginal farmer households. To understand the basic causes it is necessary to narrate the developments in detail. The Chettipalayam hamlet is situated adjacent to the Amaravathi river. A narrow stretch of land by the side of the river, and adjacent to the canal running along side that was the only irrigated land available. There were many wells. The soil was rocky and there were few perennial springs in them. So the wells would run dry in summer. Well irrigation was not significant in the hamlet. The landless labourers were engaged all round the year mainly by the landlords owning irrigated land. Since local landless labourers were very few, the hamlet always depended on the surplus labourers residing in the dry adjacent belt. Even in 1950s the local labour was supplemented by the Naickar labourers from Kethampatti and Sukampatti (3 to 5 kms. away), Veduvar labourers from Kodaiyur (4 kms. away), Pallars and Parayars from Pallapalayam (4 kms. away) and cobbler labourers from Coolinaickanoor (2 kms. away).

WAGE LEVELS:

In the fifties, payment for most of the agricultural operations was in kind. For harvesting, a bag of paddy was given for harvesting an acre of paddy. The same was true in case of other cereals also. For groundnut 1/16th to 1/12th of what each labourer plucked was given as wages (Kooru). Cash payments were limited to a few, mainly commercial, crops such as tobacco, turmeric, korai and sugarcane. Itinerant merchants would come to the field itself to purchase directly from the landowners as well as the labourers, if they were willing to dispose of the produce, [which was distributed as their wages in kind].

In 1960s the average daily wages for female and male labourer in peak season (September-February) were 50 paise and one rupee respectively. In 1965 they rose to 75 paise and Rs.1.50 paise. In 1970 it had jumped up to Rs.2.50 and Rs.5/-. In 1975 it had doubled again to Rs.5 and Rs.10/- By 1980 it was Rs.6 and Rs.12. By 1985 it was Rs.8 and Rs.15. By 1990 it was Rs.9 and Rs.18. In 1993 it was Rs.15 and Rs.30/- Currently it is Rs.25 and Rs.50.

These are the average level of wages. Every year, generally, from August it will start rising; and by November it will reach a peak and maintain itself till the end of February. From March it will begin to fall and by April it may reach the average level, or occasionally, even very slightly below the average.

There was also changes in the work time. Till 1970 the working hours were between 7 a.m. and 6 p.m. with two breaks of about 24 minutes each. (Two 'Naligai' - 'Randu Nali' in local dialect). In the 1970s the working hours were gradually chipped off and generally it came down to the period between 9 a.m. and 5 p.m. with one break of one hour. In the 1980s, one small landowner introduced part-time work at half wages mainly to attract to the dependent workers labouring households left behind to cook and to look after their children and other dependents. They were given the choice to work between 8 a.m. and 12.30 p.m. or 2 p.m. and 6.30 p.m. That was the beginning of a rapid change in the working hours. Now it has become standard for working day to be between 8 a.m. and 3 p.m. with one break of one hour. In times of acute scarcity the working day is further shortened to 8 a.m. to 2 p.m. At such times it is not uncommon for the labourers to do an additional shift between 3 p.m. and 6.30 p.m. with overtime wages.

Landlords complain that the quality of the work also has deteriorated very fast. There is an element of truth in it. There is perceptible change in the value system; and shirking and sloppy work is not condemned by fellow workers as something to be avoided. Further, the labourer's work is not well-monitored as in the past. The landlords' knowledge of agricultural operations is, in many cases, inferior to that of Pannayals who, in the past, were able to monitor the quality of work of casual labour better. With the decline of the Pannayal system, the labour cost has significantly increased over the period, which, in part, is certainly due to the difficulties in monitoring performance by the labour force.

Labour supervision became too costly. The new technology demanded skills from labourers which were difficult to supervise. In a wet field, when paddy was transplanted, it was easy for the worker to plant it slanting, whereas it was difficult to plant it vertically. But vertical planting of transplanted crops would reduce the time for maturity and increase the yields. Only a pannayal who knew the art of planting seedlings could supervise the way the women labourers planted the seedlings. The space between the two plants must also be less for the new crops. But it was easy for the worker to plant it wide. Very close monitoring was necessary to check that it was properly planted. When the farmer was a hard task master, it was natural for the labourers to shift to others whose supervision was slack. The loyal pannayals of the past would not allow the labourers to shirk in the side. They, more than their masters, were considered to be martinet by the landless labourers. Well supervised farms found that they could not retain casual labourers in peak agriculture periods.

GANG-LABOUR CONTRACTS:

One escape route for the landlords was the gang-labour contract. It started in the 70s and had become nearly universal in the 80s. The gang-labour contract is one form by which a particular type of agricultural operation is executed by a team of labourers within a specified time for a contracted amount. The reason for its popularity stems from the conditions surrounding the labour contracts, which were changing rapidly. As narrated earlier major structural changes were taking place in the labour market. First, even though the labour supply was increasing due to population growth, the labour demand was increasing faster due to (a) urban demand; (b) agricultural demand due to new technology; (c) agricultural demand due to increased intensity of irrigation; (d) increasing non-farm demand; and (e) Mechanisation. Mechanisation increased the demand in certain directions, and reduced the demand in others. In this hamlet, the net effect was positive. This got reflected in (1) reduction in the hours of work; (2) increases in the relative wage level; (3) slackening of the supervision of work and (4) erosion in the moral valuations in which shirking, if undetected, was not looked down by others: i.e., peers did not frown on such behaviour as they did in the past.

Given the time specific nature of agricultural operations and the criticality of the water supply in the river, the transaction cost of the ordinary wage contract was high compared to the new labour contract. For example, if a farmer had to plant sugarcane in one acre, he had to employ 24 male wage labourers to prepare the bed in a specific way. If he did not get enough wage labourers to do the job, the time for the preparation had to be extended. Supposing 16 labourers were only available, in the normal course he would have to do it in two days instead of one, because half a day's employment was not in vogue in the past. But if he entered into a gang-labour contract with the 16 labourers, they would do over-time and might finish it in a day. Normally, he would have had to pay a current wage rate, say: Rs.20 per day; so his total cost would be $16 \times 20 \times 2 = 640/-$ for the operation. But in the gang-labour contract 16 labourers might agree to do the same for Rs.560/- in a day. Thus the landowner gained in both in time and resources; and the workers in wages. Depending on the nature of the land, the intensity of work involved, the time factor and degree of specification of the type of work to be completed, the rates of the gang-labour contract vary. Once the agricultural operation was clearly specified, the farmer was relieved from the monitoring and supervision and thus his transaction costs fell. From the side of labour, it was advantageous to them also because the more intense their work, the greater would be their earning capacity.

As could be imagined the gang-labour contract work was introduced in specific, non-repetitive tasks such as harvesting of paddy, but was later extended to other similar tasks such as harvesting of sugarcane and harvesting of turmeric. The gang-labour contracts are more common in commercial crops than in food crops. Gang-Labour contract is also more common using male labour than female labour. The terms of the gang-labour contract vary according to the soil-moisture conditions, specifications about the intensity of work and also the overall demand condition. For example, it is normally assumed that the workers will transplant paddy with a greater slant (because it is easy to plant it that way) with a gap of about 8 to 9 inches between the plants. But farmers also know transplanting the seedlings straight with a gap of 6 inches would increase the yield more. To make this additional effort, additional inducements will have to be stipulated and built into labour contract. In other words, the terms of the contract will have to stipulate the higher intensity of work and the consequent higher payments also.

Originally gang labour contracts were concluded by a 'contractor' for gangs consisting exclusively of members of one caste. Now there are a few gangs in which the gang leader is a cobbler, a lower caste person, in which the members include a few goundar labourers.

The criticality of time and the increasing scarcity of labour in the critical season enlarged the bargaining power of the wage labours vis-a-vis the land owners. In other words, the power of the land owners to hire and fire labourers gradually eroded. It should not be understood that the exploitative power of the landlords had disappeared; it only got reduced. The labourers on their part used their increased bargaining power to improve their relative wages in many ways. For example, in the cane harvesting season it had become common for the tractor owners to pick up the labourers from their residence and to drop them back after their work. While returning back home from work, the gang-contract labourers were permitted to carry with them one head load of cane stalks for their cattle. Every year the gang-contract rate for a tractor load on 10 tonnes of sugarcane was renegotiated, and it generally went upwards.

{Note: But there is an upper bound beyond which the labourers do not have the capacity to increase their wages for agricultural operations. In the case of sugar cane harvesting, it came from the offer of the Pugalur factory to undertake cane cutting on a contract basis. The factory needed more sugar cane for crushing; the increasing cutting cost was discouraging farmers from planting more cane. So the factory offered to the farmers that they would supply labourers for cutting at a stipulated contract rate per ton of sugarcane supplied. They, in turn, brought the labourers from Nellikuppam, where the "EID Parry" had

another factory, and where the relative wage level was much lower. In the case of paddy, the availability of mechanical threshers (from 1994, mechanical harvestors) limits the bargaining power of labour. Members of marginal farmer households are willing to enter the labour market and supply additional labour inputs whenever the wage level reaches a new peak; and this also acts as a check on the wage increase.)

Who sets the wage level? is a critical question. Strangely enough, in this hamlet, very often it is illicit brewers who are instrumental in setting the wage rate. Both men and women labourers are paid roughly double the going wages by the illicit brewers because of the low social status of the work and high risk involvement; the risk of being arrested and imprisoned for a few months is always present. During the peak season, the demand for illicit brew also increases and the prices of illicit brew go up. So, brewers need more assistance and they bid for more labourers. Though the proportion of their demand for labour in the hamlet's total demand is very small, yet their need is the most urgent because they have to pay extra inducements to make additional labourers to enter into an occupation over which the society frowns. So they bid up the daily wages before others dare to do. But, when a landowner announces an increase in wages, other landowners take him to task for acting as a 'black leg'. So, all landowners are reluctant to be the first to increase the going wages. Large landowners escape this charge by promising to their labourers to pay the wage which any other landowner is currently paying. Because they are offering continuous employment, landless labourers would certainly be willing to work for them on that promise. But it would not work for the marginal farmers. Unless they pay the wage in advance, or, at least immediately after the work is completed, they cannot hope to attract labourers, especially in the critical sowing-harvesting seasons. It is at that period, the brewers announce higher wages first. Because their reputation is already very obnoxious, they are not very much bothered about the opinion of other local people.

EFFECTS OF LABOUR SCARCITY IN THE HAMLET:

An interesting side-light of this negotiation is the fact that a majority of landless labour households started raising either goats or buffaloes. At a time when the village common lands have been encroached by landlords as well as marginal farmers and landless labourers, this reveals clearly the increasing hold of the wage earning class over the disposal of sugarcane leaves, and in most cases, the grass from the weeded lands. From 1990, the village assembly of the hamlet prohibited goat raising in the hamlet because the goats damage all the fencing plants. In 1994 more than 50 buffaloes are raised by the landless labourers in the hamlet. The landless labourers could raise buffaloes because they are confident that they could gather enough fodder from the fields where they work to supplement the fodder they can gather from the dwindling village commons.

The increase in the wage rate combined with the reduction in working time has made it imperative for the marginal farmer household to revive the 'moi' labour system. 'Moi' refers to a system of caste or community obligation: at the time of a marriage, if 'a' gives Rs. 5 as 'moi' to 'b', then 'b' must RETURN BACK to 'a' the same Rs. 5 or a little more, but never anything less than Rs.5. Instead of money, labour also was given as 'moi'. 'A' might plough the fields of 'B' on Monday, and in return, 'B' might plough the fields of 'A' on Tuesday. This was widely prevalent in the fifties, declined in importance in the seventies and eighties, but is now becoming more common among marginal and small farmer households. During peak season there is a lot of demand for labour due to the criticality of time. The wage level is the highest during that period. The family members of the marginal farmers go for work from 8 a.m. to 2 p.m. receiving a wage; and then do their farming operations or 'return moi' labour from 3 p.m. to 6 or 7 p.m. In this way they are able to complete farming operation of their own land and also save some money for other purposes.

The effect of Land Reform Legislation

In 1950, in the hamlet there were only four families owning more than 30 acres of land. Only one family owned about 20 acres of 'nanchai' or wet land, 15 acres of garden land and 60 acres of dry land. In the late 1950s when there were rumours about land ceiling, as a measure of precaution, the likely targets' families partitioned their land holdings among the children. The biggest land owner had six boys; once the land was partitioned, the ceiling act did not affect him. This was also true of all other families. But it created high transaction cost at later dates. The partitions themselves cost resources in the form of stamp duty. These partitions were paper partitions to defeat the law.

In the case of the biggest landlord, even after the paper partition, operationally, all the lands were managed by a single person. When he decided to take water from the river to the dry lands through a single pipeline to irrigate 30 acres, the value of the land so irrigated increased. This benefitted three out of the six sons of the big landlord as per the paper partition. So there was a need for a repartition at a later date which again demanded resources. There were other sunk costs in the irrigated lands such as

levelling costs which had to be ascertained and valued before the brothers could agree for the repartition. The negotiations became a long drawn out affair; and till now the repartition in paper had not been made, even though there had been rearrangements in the use of land on the basis of oral agreements. Meanwhile a few of the brothers were not able to obtain institutional credit on the basis of the real value of their landholdings because they did not have a registered title deed to the land they were cultivating.

Both in 1977 and in 1993 there were unprecedented floods in the river. On both occasions all the pipelines and wells dug in the rivers were washed away. In 1977 all the pumpset rooms together with the motors, pumps as well as the oil engines, where electricity connection had not been obtained, were also washed away. Apportioning the cost among the different claimants even within one family cost a lot of resources.

What was true for the richest landlord family in the hamlet was also true for most other families. The threatened imposition of ceiling law led to hurried partitions which were found to be inequitable in terms of distribution of the assets at a later date. Resources had to be spent to renegotiate and settle the issues later. Land improvements, which a single manager would have decided relatively easily, became contentious issues because of the hurried paper partitions. The ceiling act did not produce any benefit for the intended beneficiaries; but increased the transaction costs, which at later dates, resulted in improper - occasionally - inequitable allocations among the original owners.

Most of the 'nanchai' i.e., wet lands of the land owners of the hamlet were located across the river in the Pallapalayam revenue village. They were canal surface irrigated lands. One of the landlord families of the hamlet were tenants of Thiruvavadurai Mutt, which had about 18 acres of wet land there. In 1950, in Pallapalayam village the rich landowners of Chettipalayam hamlet owned 8 to 20 acres; a few small landlords had 2 or 3 acres of wet land and about 10 marginal land owners had half to one acre of wet land. Almost all the land owners were engaged in direct cultivation, though a few of the big landowners had given the land on lease mainly to 'Kavalkarar' or 'Vellala Goundar' tenants and occasionally to Pallars. But by tradition, the Pallars and Parayars (the Scheduled Caste) workers of Pallapalayam had watering rights over the land. The landlords would prepare the land and sowed the seeds. The 'watering right holder' would then take over and would irrigate the crop with canal water till the crop matured. At times of water scarcity in the canal, the vigilance of the 'watering right men' could be critical for saving the crops. For this service, they were given a return in the form of a share in the produce. Two or three bags of paddy per acre was the prevailing norm.

When the tenancy protection legislation came, 'the watering right men' claimed as tenants and started to register themselves in the early 1960s. This was resisted by the caste Hindu landlords. As the Vellala Goundars were dominant majority in that area, the Scheduled Caste 'water-rights men' initially did not attempt to claim tenancy in their lands; but in the beginning, in late 50s, started with a absentee Chettiar landlord. The Chettiar, who was a man of means, resisted and kept his land fallow for nearly six years without raising any crops. As this strategy was not very successful, the 'water rights men' decided to take the fight straight to the Vellala Goundars. They went to the Tahsildar's office and filed petitions to register themselves as tenants. The landowners went to the court to obtain injunctions. Cases were filed by both communities in the court.

Before the final court decision could come, there was a big conflagration (in 1963) in which there was arson and rioting in Pallapalayam village. The court ruled that 'water rights men' were not full-fledged tenants. The landlords won both the legal battle and also the battle using physical might. The transaction cost for both sides were high. Though the court ruled that they were not full-fledged tenants, it recognised that "Watering right men" had a traditional right. So the mainly Scheduled Caste "Watering right men" began to demand a cash payment for vacating that right. The amount demanded depended on the bargaining power of the landlord vis a vis the 'water-rights man'.

The landlord, who was the main tenant for Thiruvavadurai Mutt, was a communist party member and was sub-leasing the wetlands to the Scheduled Caste tenants. He gave evidence against his fellow castemen in the court. He decided to give up his intermediation in the vitiated atmosphere. The Mutt unsuccessfully tried to persuade the landlord to continue as a main tenant because his name was registered in the Mutt records for a very long time; and could be established legally in a court of law. He belonged to the Vellala Goundar caste, but his sub-tenants were mainly Pallars and Parayars. But the landlord gave up his tenancy rights and his sub-tenants got the full tenancy rights with all the protection of the law. As it was temple land, the agents of the Mutt were not able to collect the full rent from the tenants in the subsequent years. The main beneficiaries in this matter were from two Pallar families and one Parayar family.

The service castes had 'inam' lands. The original purpose of the 'inams' were to perform certain duties to the temple all the year round; and, in return, enjoy the produce from the 'inam' land as reward. In the past, especially in the 1930s, many of the service castes became indebted to the landlords and had sold their 'inam' lands to the landowners themselves. The 'Inam abolition' act benefitted only those service caste men who retained possession of their lands. They got absolute title to that land. Landowners who had long possessed 'inam' lands retained their title. But, there are a few landowners who had illegally occupied 'temple inam' lands and are enjoying them for quite some time. Their titles could not be made absolute; and, one youngman from a service caste is taking vigorous steps to evict them, and might well succeed. If he succeeds, the income to the temple, which is at present nil, might increase. But the youngman himself would not get any personal benefit. The landowner's attempt to create caste-rivalry as a method to silence the youngman has not so far been successful. This youngman is responsible to influence the 'Cholan Transport Corporation' to open an 'uneconomic' bus route to the hamlet from Karur. So the higher caste people refuse to join with their fellow caste-men in what they consider a legitimate fight.

Two major developments led to the divestiture of wet lands across the river by the big landlords. The first cause was the increase in the cost of protection of crops. Once the harmony of interest between the landlords and the 'water-rights men' was lost, the cost of the crop protection for landlords, who did not personally protect their crops, became very high. So the big landlords of the Chettipalayam hamlet began to dispose of all the wet lands across the river one after the other. The process started in the late 1960s and continued till the late 1980s, when the last bit of land owned by a big landlord was sold.

The second cause was something special to that region. After the building of the Amaravathi dam upstream, the river literally began to dry up in the tail end during summer months. So the 'korai' grass used for the mat weaving, which was raised extensively in the wet lands because of its fine quality and high profits, was abandoned. 'Korai' needed water throughout the year. After 1965, 'Korai' cultivation was gradually abandoned in the entire region. It was a commercial crop which needed very little labour and other inputs (except fertiliser) and which fetched very high revenue. The policing of 'Korai' would have been relatively easy compared with other crops. The drying up of the river at a time when the landlord-tenant struggle was at its peak compelled many landlords to review their strategies. They might have held on to their lands, had 'korai' cultivation been an available option to them. The mat-weavers families which were famous for their product out-migrated to Kulithalai-Mustri region where they are very prosperous.

The purchasers were mainly the marginal land holders of the Chettipalayam hamlet belonging to the Goundar community, though there were a few cases in which the Pallars and Kavalkarars had purchased the lands. The biggest wet land owner of Chettipalayam hamlet had sold all his 20 acres of wet land across the river by 1984. All the major landlords of Chettipalayam hamlet had sold their wet lands across the river by 1985.

Another feature of the conflict was the conversion of the mango grove in Pallpalayam village on the banks of the river into paddy field. It was a locally famous grove, known as 'Thulukkan Thoppu' established perhaps by a Muslim owner when Tippu's army passed this way. This again was because of the high transaction cost involved in protecting tree crops across the river when harmonious relations did not exist between communities. So the landlord converted it first as paddy fields; and, after a decade, decided to dispose off the land itself.

Tenancy legislation did not benefit the tenants in any major way in this region, excepting in the case of the Thiruvavadudurai mutt land. But it increased the transaction costs, i.e., the negotiation, contracting, policing and enforcement costs. For the big land lords, the perpetual fear was that their tenants might go and register with the Deputy Tahsildar who was charged with the responsibility of recording tenancy. So the big landowners greased the palms of the village officer, the Revenue Inspector and the Deputy Tahsildar regularly. Rather than continuing with the mounting transaction costs, many decided to sell the lands.

They also had difficulty when they wanted to dispose of their lands with a surviving tenant. The value of the land was reduced when there were tenants in the land. Going through the legal procedure to evict the tenant was costly. The law permitted resumption of personal cultivation, if the owner had less than 6 acres of wet land. Strangely enough, it was a fact that most of the affected landowners were having only less than 6 acres. Because many of the small landowners had half or one Kani, i.e., 1.33 acres, but had lands east of the Amaravathi river also, they had leased them out or had 'water-rights men'. Yet they also found it cheaper to pay the tenant a stipulated sum to make him agree to eviction rather than go through the more costly process of going through the courts. Depending on their relative bargaining strength between the landlord and the tenant, the tenant's share in the sale price of land varied from 20% to 50%.

It was 20% when water right alone was with the tenant and nearly 50% if the tenancy was with some recorded evidence such as borrowing from the co-operative credit society or residence in the farm house.

There were other changes in the tenancy. Many large landlords thought it prudent to give their land for hypothecation or mortgage (Bokyam) rather than for regular lease. Share tenancy became a risky thing especially when the share tenant belonged to another community. So share tenancy became relatively uncommon in the wet lands across the river except among marginal landowners. Even among them, there were differences with reference to the land West of Amaravati river and East of Amaravati river. The land West of Amaravati river, i.e. across the river, was generally self-cultivated. Even marginal landowners were unwilling to give it on lease to the Scheduled Caste people, who were dominant there. But share tenancy was more common, even a necessity, because many owned scattered fragments separated by long distances, in the land East of Amaravati river where the vellala Goundar tenants were more amenable to the village assembly control. So share tenancy and lease are a little more common in the land East of Amaravati river. The biggest trial for tenancy legislation in the hamlet came in 1986. One of the big landlords had given his relative the entire land for management in 1970. In 1975 the landlord sold his wetlands across the river i.e., west of Amaravathi and all his remaining lands were in Chettipalayam hamlet. Upto 1979, the manager was paid a monthly salary.

But in 1979, the landowner entered into an informal long-term lease agreement with his relative manager for Rs.15,000/- per annum for his entire land in the hamlet. It consisted of nearly 25 acres of garden land, 15 acres of additional dry land and about 300 coconut trees. This low lease amount had been fixed to help the family of relative-manager. The tenant was very successful as a farmer. He improved the lands, extended irrigation to all the 25 acres of garden land, and raised jasmine and rose flowers. He was reputed to have had a gross income of Rs.25000/- per acre in horticultural crops in 1981-82.

He decided to go to the vacation court at Trichy in the month of May 1987 to get himself declared as a tenant. His strategy was to preempt the issue by getting an ex parte injunction against the landlord entering the land before the landlord gets informed about his scheme. He had created recorded evidence by borrowing from the co-operative society as the tenant; and by registering himself as a voter living with his family in the farm house situated in the leased land. Armed with this evidence he went to the court at Trichy and not at Karur, because it was vacation time for courts. He refrained himself from registering with the Deputy Tahsildar at Karur as a registered tenant because he was afraid that the information would be leaked to the villagers and to the landlord. He was afraid that the villagers would consider this as a breach of faith. So the landlord had absolutely no suspicion about the possibility of the relative trying to claim tenancy rights.

Once the case was filed, the landlord went before the hamlet assembly and appealed to them to intervene. On their suggestion, he met the elders in all neighbouring hamlets and requested their help. The hamlet decided to depute a few to talk to the relative tenant to negotiate a settlement. But the relative tenant was not amenable to any negotiation. So the surrounding hamlets declared a social boycott. It was decided that no labourer should go and engage himself/herself in farm work in the disputed land. So the relative tenant searched the neighbouring villages for hiring farm labourers. The hamlets had different class and caste composition, yet decided not to allow their workers to enter the disputed land. Thus not only the Chettipalayam hamlet but also the hamlets of Kodaiyur [with Veduvar domination], Kettampatti, Sukkampatti and Manalmedu [with Naicker domination], Coolinaickanoor [with cobbler domination] and Pallapalayam [with Pallar domination] had all decided to enforce the boycott of labour.

The relative tenant brought goondas from Karur to force the issue. This instigated the villagers even more. More than 200 unarmed men from different communities entered the disputed field where about 25 to 30 armed men were waiting and warned them that after an armed attack they had no escape route through which they could escape alive because all the surrounding hamlets were united in settling the dispute. The paid-goondas quietly left the land.

Next, the relative tenant went to the police for protection and filed a complaint saying that the people of hamlets were trying to occupy the lands over which he had tenancy rights. This again enraged the villagers. So they decided to take possession of the land. Nearly 200 ploughs and a large number trained men came to the land on the same day from different villages and started ploughing the land. A van load of Police force came and prevented the ploughing of the land. Suspecting a major riot, they suggested that the two parties must negotiate a settlement. By that time the relative tenant also had become aware that he could not carry on agricultural operation without the support of the labourers of the neighbouring hamlets. So he came to the negotiation table. After a month of hard negotiations, in which the Panchayatdars of Goundar, Naicker and other community leaders (but not scheduled caste) negotiated and decided that the landlord should pay Rs.2 lakhs to the relative tenant for vacating the land.

This is the case in which the entire surrounding hamlets of the Chettipalayam hamlet had joined together to evict a tenant. Although the tenant had everything in his favour in law, and was very resourceful in his activities, he could not succeed in enforcing his legal rights. There were a few factors which were responsible for the failure of the tenant; the lease amount was abnormally low and the entire area knew that the lease was set at such a low level only because the owner wanted to help the family of the relative. In fact, the 300 coconut trees in the land alone were fetching the tenant more than Rs.15000/-, the agreed lease amount. Second, he had married a farm servant belonging to another community. This had antagonised both communities. Because he was powerful at the time of his marriage, they did not oppose it openly. But when there was a conflict, it was partly responsible for his failure. Third, in the people's perception it was not the classic landlord-tenant problem. Both the landlord and the tenant were educated. Both had not soiled their hands with manual labour. The people of the hamlet saw in this only a dispute between uncle and nephew and not a landlord-tenant dispute. The negotiators for the hamlet tried to convince the relative tenant that they would get from the landlord enough to ensure his survival. The relative tenant did not agree and claimed the entire land. The people in the hamlet were not convinced about the fairness of the demand and supported the land-owner.

This clearly demonstrated that even when the law and the law enforcement agencies were in favour of the tenant, it would not be possible for the land legislation to succeed unless the people in the locality were also convinced about the fairness of the claim. In all these cases either the landlord or the tenant should organise violence either to evict the tenant or to keep possession. The enforcement of the legal right with State's support in the form of police protection was not enough. Along with that, a certain amount of local community support also was needed. No state could afford to keep a battalion of police men to guard the land of a single individual. At best, it could help him gain possession. When the local community was opposed to that, the opposite party would evict the person as soon as the police force was withdrawn. Maintaining possession in such circumstances would need the use of resources, including employment of physical violence. This would raise transaction cost to a very high level. At such levels of transaction cost, it would not be prudent to continue the dispute. So some sort of negotiated settlement becomes inevitable.

With reference to the minimum wages law, it could be stated without any fear of contradiction that no one in that area had ever heard about it. It was not meant to be enforced. It is there only on paper. And neither the landowners nor the labourers are even now aware of it.

The effect of land legislations, which were enacted but not implemented, merely increased the discretionary powers of the bureaucracy who were given the powers of supervision and enforcement. It was mainly the revenue, or police officials, who got the power; and they knew that they could get some extra income by discreetly employing their powers to favour or to penalise the affected parties. Since the landowners were having the means to 'buy' that discretion, more often than not, it was employed in their favour. Thus the real beneficiaries, more often than not, of these land legislations that were not implemented, were not the tenants or the landless labourers, but only the official intermediaries. These intermediaries got all the income. In the case previously, the bureaucracy and police got their cut. The legal battle was also costly. The unimplemented legislations impede worthwhile transactions. Exchanges which would have been beneficial to both parties are hindered by these unimplemented legislations. By and large it can be generalised that any legislation which is not implemented and enforced ultimately increases only the transaction costs and results in the loss of the efficiency of the system. In this region the overall efficiency of agricultural system has been reduced by the land legislations. Worse still, it has not benefitted the poorest sections, but mainly the bureaucracy.

Technology and Development of Skill

The technological and skill development during the fifties had brought dramatic change in the hamlet. It was in 1948 that the first oil engine were installed in Thirumanallaiyur channel by two of the big landlords in place of the conventional Kavalai Yetram. This was done in the face of strong opposition from the channel users down-stream. In those days one form of 'kudi-maramath' organisation which maintained the distribution of channel water was relatively more powerful and effective. The lower riparians appealed to the government and managed to extract stringent restrictions on the amount of water that could be abstracted from the channel through the use of oil engine.

It was reported that the electricity distribution companies offered electricity to the hamlet even by 1935. But there were few takers. There were rumours that the water coming out the pump would be hot and would be harmful to crops! Still a few farmers accepted the offer; but they were so few that the electricity company found it uneconomic to lay a transmission line to the hamlet. But by 1950 the position had changed. Because the village had more than average education among the landowner families, they understood the economy from electric pump sets. Even in the fifties it needed substantial effort to bring

electricity to the hamlet, which is 10 km away from the main transformer in Karur. They succeeded in mid 1950s. It was at that time one farmer had a tubewell actually situated between Thirunallaiyur channel and the river Amaravati. In order to reap the additional benefits from investment in electricity connection to that well, he laid a pipe line between that land, across the channel, to his other lands. He used essentially a siphon system. He was the first one to start the pipeline revolution in the village.

Even in 1950s, a farmer of the hamlet attempted to dig a borewell in his lands, but the rocky subsurface led to his failure. In the early 1960s, one enterprising youngman from the largest landowner family of the hamlet laid a pipeline from the channel, more than 2 kms long, to irrigate about 30 to 35 acres. He was the first to use a bulldozer to level the lands in the entire region. Since it was too costly, he designed and used a 'parambu' to be pulled by the tractor, instead of the ancient method of cattle doing the job. To irrigate the lands, he first connected the channel and his well located about a 100 metres away by a pipeline and from there pumped the water to the rest of his lands through a long pipeline. By this time the 'kudimaramath' system had become relatively disfunctional. There were not enough harmony among the the down-stream villagers to stop this illegal tapping of water. However, he extended the suction pipeline from the channel to the river itself within two years. He used the direct pumping method. In other words, the motor in his well pumped the river water directly into the delivery pipe which was more than 2 kms long, over a height of 40 feet. The method had been copied from Kuttappalayam near Kodumudi. It is probable that Kuttapalayam area pioneered this type of direct pumping. This system is currently popular in the entire Amaravati and Cauveri belts. The impact of this system on the total irrigation map is not fully known. However, it can be stated that this method has had a great impact on the irrigation scene of river ayacut areas. In any case, this pioneering effort radically altered the fortunes of many families living in the hamlet.

One of the major problems associated with the direct pumping system was that cracks could develop and the cement pipes might burst, especially in its joints. The farmers installed air vents at periodic intervals in the pipe line to escape this.

But even this did not fully protect them from the problem. When pipes break, especially when the crop is in dire need of water, it was a difficult problem to reline the pipe at a specific point. Because the entire water in the pipeline will have to be drained at the mouth of the system and new pipes had to be inserted and connected, time must be allowed for cement joints to set. It took three to four days for the operation. In some cases it proved to be a very difficult and very costly, especially if the crop happened to be paddy. Gradually some one discovered that sack cloth soaked in water-proofing cement could be wound around the cracked pipeline and that the cement would set even with water inside the pipe. In this new way, the pipe line could be repaired rather quickly. Like this, local technology had played a major role in the laying and maintenance of cement pipes which carry water over a long distances. Originally, farmers purchased pipes from outside; but they learnt the technique of manufacture quickly and became self-manufacturers. In the 1960s, Hume Pipes were monopoly suppliers of high pressure pipes with reinforcement needed for long- pipelines carrying water to great heights. Now Karur itself has two or three manufacturers, and nearby town of Chinnadarapuram has become a specialist town supplying cement pipes.

Another revolutionary change in technology was in abstracting water from the river after the surface flow had ceased. The water available from the wells in summer was very little because the entire area of hamlet Chettipalayam had rocky surface underneath the soil. The soil depth varies between 6 to 16 feet. Most of wells will have water only during the period when the land around the wells are irrigated. In other words, they act as storage wells. This percolation water is used in conjunction with canal or river water. At critical times the stored water could be useful for one or two irrigations of crops; to that extent it provided an insurance.

It was in the early 1960s that one enterprising farmer started digging trenches in the river during the dry season to collect spring water for pumping the same into the pipeline. Gradually others followed the system. By 1965, in the summer months, the entire river had far too many trenches along its bed. One could count about 30 trenches within 2 km of the length of river in the hamlet. It was in late 70s that one farmer had a brain wave. He noticed that every year they were digging trenches during summer. During the next flood the entire trenches were filled with sand. So digging trenches became annual recurring expenditure. So he thought that it would be cheaper in the long run to lay a pipeline inside the trench itself. What he did was to allow spring water to get into the pipeline through the joints. An ingenious system of filtering the water was developed by him. So he laid a long pipeline of about 300 feet in a 10 feet deep trench. During the next flood it was completely submerged underneath the river bed. This was connected to a small well in his land from where it was pumped by electric motor to irrigate his lands in summer. It was a costly system. But it was much cheaper than digging a well, which in any case would not have springs. It also gave assured supply of water for atleast two months in summer. A few others followed this

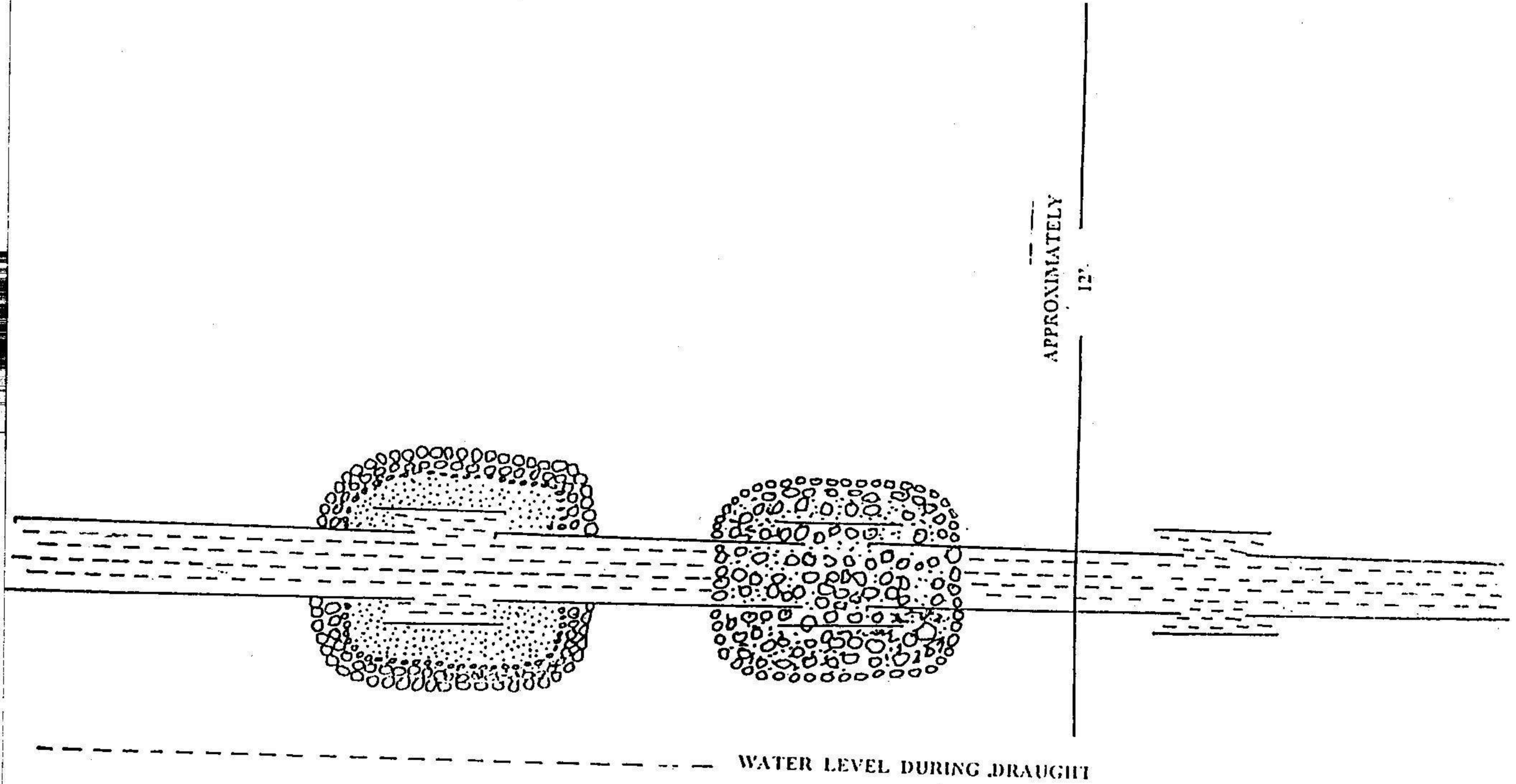
SAND LEVEL IN THE RIVER

WATER LEVEL WHEN WATER FLOWS IN RIVER

APPROXIMATELY

12'

WATER LEVEL DURING DRAUGHT



system. The flood of 1977 destroyed this pipeline. So he had to redig and relay the pipeline. It had cost him nearly 1 lakh of rupees in 1979-80 to relay the pipeline. That was the risk involved. It cost him more to repair the system in 1979 than to lay it in 1969! It gave him assured supply of water for about 15 acres for two months in summer; alternatively about 5 to 6 acres gained assured supply of water through out the year. By trial and error, the hamlet has learnt the techniques of water harvesting. But the danger now is over exploitation of ground water in the river-bed.

Another major change in technology was the system of running three phase electric motors with two phase electric current. The electricity department supplied free electricity for agriculture. During summer months electricity supply is rationed. Very often electricity supply is given only in the night between 10 p.m. and 4 a.m. After 4 a.m. electricity supply is given only for domestic purposes. Only two phase current would be available. Most of the agricultural motors are three phase motors. It was in the early 1980s that some one from Rasipuram belt 'taught' the villagers the secret of running three phase motor current with two phase current. Now two different systems are used to do this 'trick'. In any case, the large scale misuse of this method causes many motor coils to burn increasing the capital cost for the farmer.

Tractors were introduced in the hamlet only in the early 60s. In those days, tractors were available only in the Panchayat union and were hired only for the whole day. There were not many landowners in the hamlet who had enough or adequate land to hire the tractors for even a few days. So tractor did not alter the ploughing technology till the early 70s. After the pipeline revolution many people wanted to level their dry land to make it suitable for paddy cultivation. Using the leveller (parambu) with cattle power was time consuming. It was then that the dependence on tractor power began to increase. As stated earlier, a local landowner designed a 'parambu' for tractor and used it for levelling in mid 1960s. Even in the early 1970s the tractors were hired from private people, it was on a daily rental basis. The tractor purchasers rented it for ploughing, levelling and for transport especially in sugarcane and made a living. In the late 1970s some in Appipalayam hamlet started renting tractors on hourly basis. They started a veritable revolution. Small farmers who could not afford to hire tractors for a whole day now started hiring them for one or two hours. The modern system of agriculture made time critical as preparation of the land for sowing assumed tremendous significance. Tractors could considerably reduce the amount of time needed for land preparation. It is even more true in the case of wet crops. So the use of tractors increased rapidly.

There were other important reasons for change. The number of draught cattle began to decline. The male labourers had alternative employments in farms which was more rewarding than to hire themselves as ploughmen. . Another reason was the reduction in the grazing land because of the pipeline revolution. So maintaining draught animals became difficult and costly. Milch animals became more valuable than draught animals! The saving in time combined with the non-availability of male labourer and the difficulty of maintaining cattle had all resulted in the large scale induction of machinery into the hamlet's agriculture.

Another change which came was in the spraying pesticides. Then only a few of the big farmers could afford to purchase power sprayers. It is a costly investment for a few days spraying in a season. So the marginal farmers tried manual spraying which was exhausting work. It was then that someone discovered that power sprayer could also be rented out on a daily basis. Now there are two or three who own their own power sprayers and offer it on hire basis. Now the hire charges are on the basis of the extent of land sprayed and the intensity of the chemicals to be sprayed. So a system is available which makes spraying possible for all types of landowners, big, small or marginal. A consequence of increased spraying of chemicals is the externality effect. When the field is sprayed with pesticides, pests there simply jumped to the neighbouring land to escape the toxic consequence. The neighbour's field gets affected because of the spraying of one's field. So it has become common practice in the hamlet to inform the neighbours about the intension to spray pesticides in advance. So that the neighbours could take precautionary steps such as spraying their fields also simultaneously.

Changes in the cropping patterns

Korai, which were raised in the 1950s totally disappeared from the village. It was used for weaving mats. Tobacco, became defunct when the the canal or river water, which is not suitable for tobacco growing, replaced the well water as a major source of irrigation.

In the 50s and 60s coarse cereals such as ragi, cumbu and cholam, and pulses like horse gram were extensively cultivated especially in the dry lands. Once the pipe line revolution came, a large extent of the dry lands were made into garden land. So paddy became the main crop. In lands where water was available throughout the year, sugarcane and banana became the important commercial crops. Where water was available for 8 to 10 months, there turmeric was cultivated. They were all were all local crops, but the area got extended after the pipeline revolution.

In the 50s and 60s the spread variety of groundnut having a duration of 130 to 150 days was raised. But in the late 60s the bunch variety of groundnut with 110 to 120 days duration was introduced which had completely replaced the spread variety. The spread variety groundnut was an excellent fodder, for better than bunch variety. The draught animals were fed with that fodder. The switchover to bunch variety was also a contributory cause to the decline of draught animals. The long duration kichidi samba and seeragha samba were replaced by IR8, which was replaced IR20 and Penni varieties. Because of its short duration, J 13 and IR36 varieties are also popular.

Kiluvai was the fencing plant of the hamlet. Now it is declining. Now Prosopis, introduced first in 1950s has spread too fast. Kolukkattai grass, an excellent fodder crop, is declining because of conversion of pasture land into irrigated lands.

The rising cost of labour combined with non-availability at critical times, tempted many farmers to change to horticulture. They started in 1987 with one farmer planting mango in his farm. Within seven years about 60 acres of land had been converted to mango topes indicating the direction in which the cropping pattern might change.

One major interesting experiment was the raising of jasmine crop in the village. It was the enterprising tenant farmer who brought jasmine to the village 1976. He extended the cultivation to 23 acres by 1982. Nearly 200 women picked the flowers right from 4 a.m. in the morning. He electrified the entire land for flower picking in the early morning. In 1982 the gross income from 23 acres was said to be Rs.7 lakhs. He made considerable money. But he brought a camp of Amirthalingam faction of Sri Lanka to the land. Subsequently it is stated that he locked all his money in financing them which he lost. By 1986 the flowers were attacked with pests which became resistant to pesticides. He abandoned flower cultivation and ploughed away all the jasmine crop in 1986. Now there are only two small farmers who continue the jasmine cultivation which is said to be highly rewarding.

One farmer started raising mushroom on a small scale in 1987. Eventhough he is a pioneer in mushroom farming, he had not extended the same till date. Mulberry had been raised by a few farmers. But sericulture had not been very successful. Poultry was raised using cage system in 1985. Now there are three poultry farms in the region. Though cooperative milk society had been formed very early in the hamlet, it had not been successful. But many landless households are having buffaloes and selling milk to cooperative or private dairies. A few of them certainly benefitted from IRDP. But it is not correct to say that the majority are IDRP beneficiaries.

HAMLET INSTITUTIONS AND STATE:

The role of the state in land-reform legislation was discussed earlier. Some other issues are discussed below:

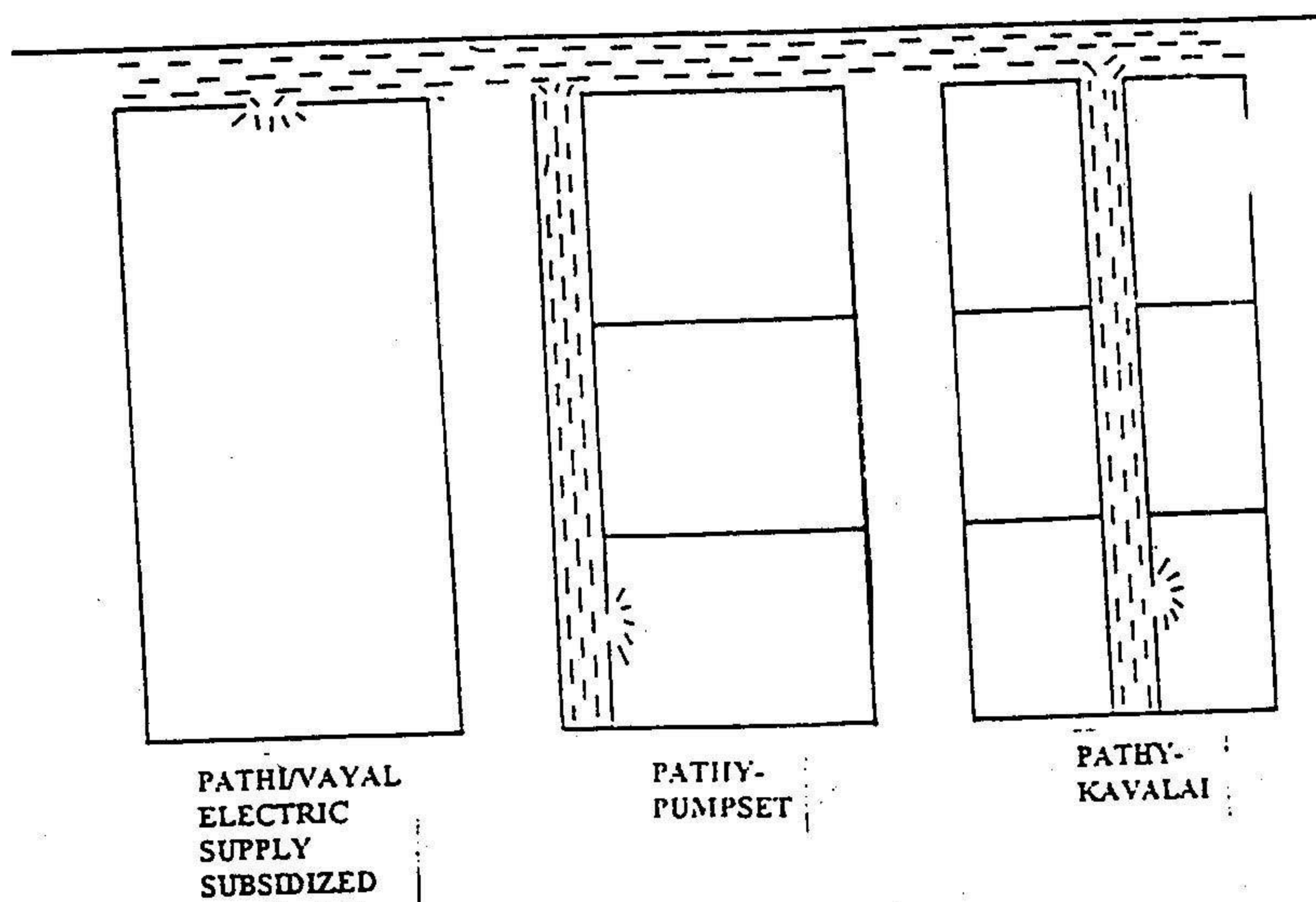
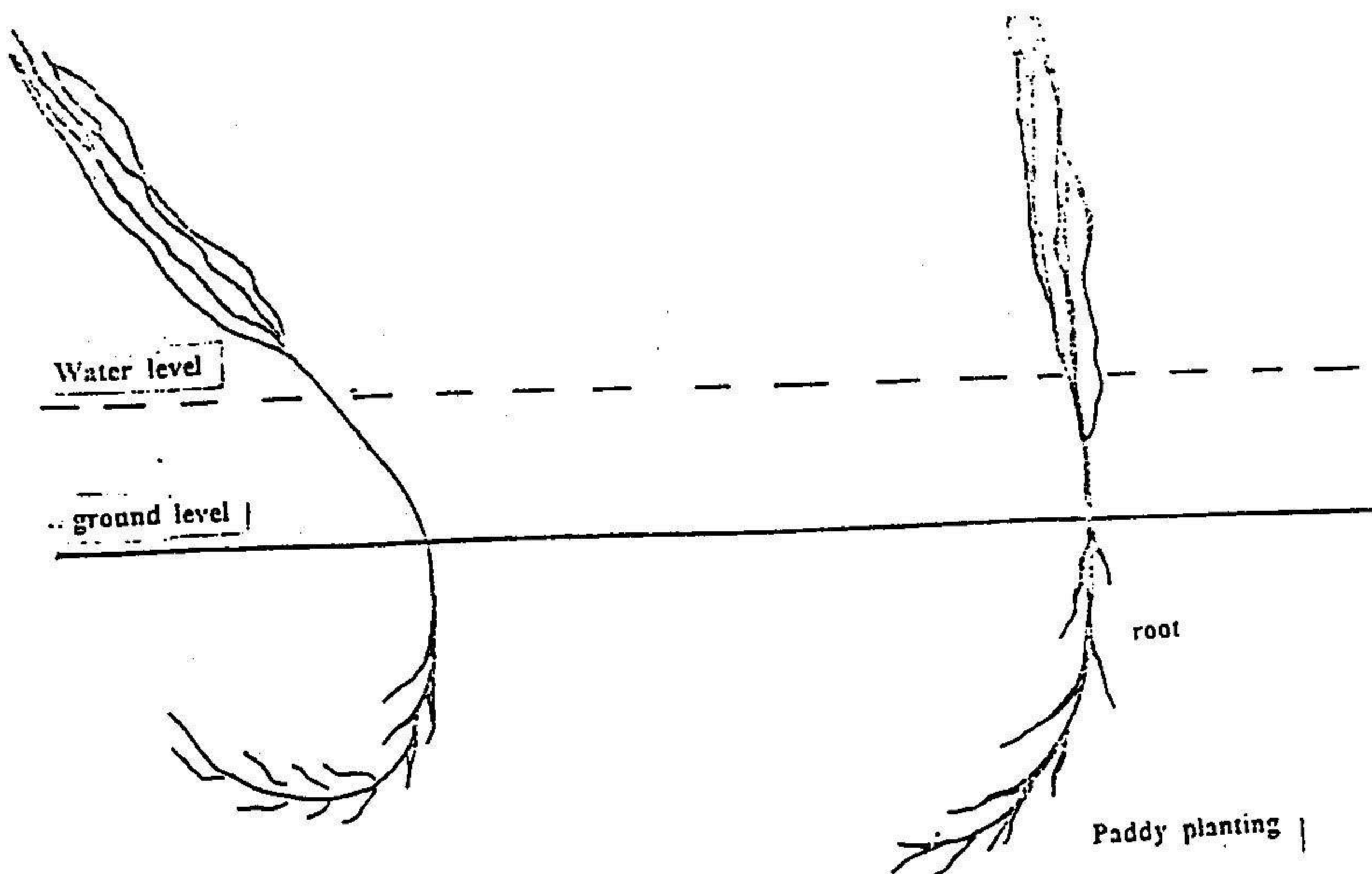
a)water-rights:

The hamlet's traditional institutions were status based. The main sources of irrigation were canal water and well water. The canal was under the control of PWD, but annual maintenance was by "Vaikal Maniyam". In 1950 a Brahmin family from a lower riparian village was the Vaikal Maniyagar, and he zealously guarded that existing irrigation rights; no new extension was permitted. The annual maintenance of the canal was through co-operative effort of all hamlet riparian farmers, generally one labourer per farm and more from large farm-owners.

From the 50s, the traditional practices were on the decline and by 90s it had disappeared altogether. There is no Vaikal Maniyagar now. The canal itself is now being linked to the new barrage completed in 1995. Most of the land irrigated by canal water in the hamlet is now irrigated directly by river water, thanks to technological change and piped water.

Two factors were responsible for extension of direct river water irrigation. One was the adoption and local innovation of technology as mentioned earlier. The sub-soil percolation of river water is now collected in cement pipes and pumped to new (originally dry pasture) lands.

The second was subsidised electricity rates. Electricity came to the northern part of the hamlet in 1950s and to southern part in 1960s. Originally only four families were having motors in river bed or near enough to river bed to pump water from the river. In 1960s, with the introduction of HYV, some farmers found it profitable to join together to install oil engines in river bed to pipe water to their lands by agreement among themselves. In the 1970s, more and more oil engines began to appear in the river bed. In the unprecedented floods in 1977 (due to the bursting of a dam in a tributary of Amaravathi river) 18 oil engines were washed away in this hamlet alone. In the 1980s many more irrigation sharing agreements came into existence. As electricity was subsidised and as the extent of subsidy increased, it became economic to



convert the oil pumpsets into electric motors using both legal and illegal methods. As clear guidelines preventing energising of electric pumpsets on river bed itself are given in government policy, extra-legal methods were used to get connections. By mid 90s, there are far too many electrical motors along the river bed. The net effect on the positive side is the extension of irrigation to lands as far away as one km from the river bed; on the negative side is over-exploitation of sub-soil water.

Free electricity causes three harmful externalities. First, the 'pathees' (a sub-division made out of small bunds within the 'vayals' i.e., fields) became larger. For the farmer, it saved the labour cost in bunding. But it leads to excess irrigation for the crops. Second, night time supply of electricity is inconvenient for farming operations. Farmers have started irrigating field after field instead of pathy after pathy, especially in the case of sugarcane. This again led to enormous waste of water. Pipeline leakages, as long as they are small, are not attended to. Third, bringing pasture land in upper elevation to cultivation by pumping water there has increased the saline content of the surrounding lower elevation soil. So, a large area of excellent pasture land has turned into waste.

b)river-sand:

The Amaravathi sand became a "valuable" economic commodity with increasing construction activities in Karur and Coimbatore. Sand mining on large scale started in 1980s. Sand was exported to all towns from Karur to Coimbatore in late 1980s. Since it affected the percolation of water to their pipelines, the neighbouring hamlets joined together to prevent its mining in Chettipalayam-Appipalayam-Karuppambalayam belt in late 1980s. Now political pressures are at work to break this co-operative move. How long this unity would remain in the face of high monetary inducements collectively to the hamlets and individually to influential persons in the hamlets is a matter of surmise. Already a group has started arguing that the co-operative ban cannot be 'enforced' because any big flood would wash away the top sand in river to the lower riparian hamlets which have already lost it by excessive sand mining. So they prefer the hamlets to reap the monetary benefits now rather than to lose both the sand and money rewards simultaneously in the next floods. There is an element of truth in their argument.

c)credit:

The hamlet's credit needs had increased enormously because of the extension of irrigation, introduction of new forms of off-farm activities and increasing consumerism. The co-operative primary credit society was functioning fairly smoothly till 1960s. The Land Mortgage Bank had a fair degree of success in lending medium and long term credit to the hamlet. The Anti-Poverty programmes of 1970s changed the value system of the hamlet. Due to other reasons, the hamlet's landless labourers purchased goats and buffaloes as an off-farm activity to supplement their income. The IDRP loans came in handy to help them. But there were too many eligible applicants, and there had to be filtering and elimination. Discretion played a major role in the selection and the discretion could be "purchased" by dispensing the right amount of cash. When the Panchayat system was active, there was at least some semblance of justice as the chairman (one for two periods and the other for one period) were from this hamlet and were responsive to local "sensitiveness". But when Panchayats became defunct, IRDP loans were literally "purchased". Along with it came the feeling that those loans need not be repaid. This has also affected the repayment of co-operative credit.

The increasing need for credit is now met by the local chit funds, Finance Corporation from Karur and Mundis. The co-operative credit still plays a role - but the farmers need cash and not the low quality fertilisers and pesticides that they have to get along with loans. So they sell the fertilisers etc. at 10 to 20% discount with the connivance of co-operative officials (who often act as agents for purchasers) and get the cash. Then they purchase quality fertilisers at market rates. So the actual rate of interest has become much higher than the nominal rate which the co-operatives charge.

Bank finance became available to large farmers in 1980s - though in theory it was available for all farmers. Though the large farmers were having assets, they were not as dynamic as the emerging class of small and marginal farmers. So the repayment record was not good and this source is drying up for big farmers also. This again has made chit funds and Finance Corporations the main source of credit. The paper work and the 'greasing of palms' are nuisances which the finance corporations dispense with. The caste network helps in monitoring borrowers and enforcing repayment. It also helps in mobilising deposits through chits. Parents and children especially of the labouring class attempt to save for the rainy day, especially for future marriage expenses. Small and medium farmers invest their extra-income in local chits or in Finance Corporations, and thus provide a link between the urban and rural informal credit market.

Finance Corporations enforce repayment occasionally with extra-legal methods which makes the borrowers much more prompt in their repayment compared to loans from organised credit market.

d) Panchayat Elections :

The hamlet consists mostly of goundars. Appipalayam revenue village has a goundar majority (more than 1/2) Thottia Naickers about 1/3rds, a sizeable Veduva goundar population; and cobblers are the major SC community. In the 1960s, the local Panchayat member was a goundar who was unopposed, who was elected chairman also. He was a "clean", but ineffective leader. When he stood for elections the next term, there was opposition from a goundar from a neighbouring hamlet. Party politics entered to disrupt caste unity. He made it a second time as Chairman. During his two term tenure, he brought street lighting. He attempted to bring protected water supply but was unsuccessful. His "clean" record did not get him easy access to Panchayat Union officials!

When Panchayat elections were held in 1980s, the village elected a Thottia Naicker member! The goundar opponent was defeated. The chairman however was from the hamlet - a congress goundar. He was certainly not "clean". The hamlet's "Member" was a son of Pannayal of local landlord and had gained wealth as a poultry farmer. The chairman came from the landlord class.

The chairman "knew" how to get things done and earned his cut! During his tenure, the hamlet received protected water supply, five television sets (something of a record), black topping of the village road, and extension of black topping of the road by about 3 kms. He got a large number of IRDP loan applications sanctioned, something of a record, for the hamlet and village.

But his most important achievement was in 1986. In 1960s the Amaravathi dam was built in the upper reaches of the river to stabilise irrigation for lower riparians and to bring new areas under irrigation. From 1970s the lower riparians suffered because (a) more and more pumpsets were installed along the river bed right from Dharapuram and (b) the new Ayacuts used ministerial influence to get a lion's share of the water in the scarcity months. This chairman fished out Rajaji's promise in the floor of the Assembly when the dam was being planned in the early 1950s that the rights of lower riparians would be fully protected and that only if there was a surplus, it would be used to irrigate new Ayacut. He forced the state to pass a G.O. in 1986 - reported in 'The Hindu' in September 1986. This gave the hamlet and all lower riparians a certain amount of reassurance about receiving their 'fair' share of water.

After his term expired (extended beyond the normal terms because of political compulsions) the Panchayat elections did not take place. However his tenure has sent wrong signals in the hamlet - that it is better to have a corrupt but 'efficient' chairman than to have a clean but 'inefficient' chairman. In the fluid and changing phase of values in the hamlet, this type of response is accepted as natural to an imperfect political and administrative system and that what is expedient also is right for the "imperfect" times.

e) village commons:

'The "kuttukkadu" - the shrub jungle along the river bed has disappeared. The land has been occupied by small farmers and marginal farmers. All landowners have extended their occupation to cover poromboke lands in the many "odais" and common roads. So village commons have dwindled dramatically. The cobblers street was moved away from near the river to a distant place, causing a lot of inconvenience to them in fetching water, till piped water was brought to them in 1988 or 1989.

f) rationing:

The ration shop has become a major source of the rice supply for the labourers. The landlord families use their ration cards to purchase sugar, and 'loan' it to labourers to purchase their quota of rice. It is used as an incentive to make labourers work in their farms. It is not uncommon for landless labour households to get their share of ration sugar and to 'sell' them at a higher price (but lower than free market price) within the hamlet itself. As sugarcane growers are entitled to a bag of sugar per 100 tons of sugarcane supplied, the large farmers get their supplies in that way. So it is the small and marginal farmers who are the major purchasers of sugar. The fear expressed by Thiru Vi-ka in the first quarter of this century that drinking tea and coffee would someday replace the consumption of "Neeraharam" in the morning had come true in the hamlet now.

OFF FARM OCCUPATIONS:

There was mention earlier about the decline of Artisan class in the hamlet. But new off-farm employment has come through several channels. Illicit liquor brewing and distribution is a major occupation. The hamlet successfully enforced closure of breweries within its limits; but IS NOT SUCCESSFUL in its attempts at the control of its distribution through or sales in the hamlet. An informal agreement is in force

now preventing the skinning of the bark of white babul trees - which was an important ingredient in the brewing process. (Now torch cells are said to be used instead.)

Repair and maintenance of motors and pumpsets dismantling and reassembling pipelines, on site manufacture and laying of pipelines, repairing leaking pipes are new skills for which there is enormous demand.

Driving tractors and power tillers, operating power sprayers are new farm activities. Tractors are also used to transport farm produce to Karur and to sugar factory in Pugalur. The increasing number of mopeds in the hamlet gives scope for capacity for minor services to be performed locally.

The hamlet now has two small shops and one tea shop. One dhobi girl has a tailor shop mainly for mending garments; but she is expanding it to stitch women's dresses.

The famous traditional mat-weavers of the hamlet have out-migrated to Kulithalai-Musiri belt. But handloom weaving came to the hamlet in 1950s to disappear in the 1970s due to competition from power looms. Dyeing factories are increasing, though in the hamlet there are only two at present. One poultry unit has also been started with 1000 birds.

As mentioned earlier, a number of landless labour households are having goats and buffaloes and the dependents (old men and women and children) graze them. The most important fodder source is the weeded grass from farms where they work as labourers and sugarcane leaves - both have become now a right to them.

The number of days of gainful employment has increased in agriculture itself. But this itself has increased other activities in the hamlet. Now someone is giving for hire tubelights and amplifier for festivals and other occasions. For sometime, one was specializing in contract cooking, but he has proved too successful and has outmigrated to become a cooking contractor in the town.

Many of the dyeing factories of Karur are moving out to the outskirts of the town and so men and women labourers of the hamlet go to work in them. Six or seven of them are located within three kms of the hamlet and so their demand is a pull-factor which forces wages up locally.

Transporting local goods to town was a big problem in the past. Now daily two double bullock tyre carts make regular trips and they charge rent according to volume and weight of load. So even a person who has to take two bags of vegetable to the town now could hire a means of transport.

There is no commercial cable TV operation. But the hamlet has three co-operative cable TV systems catering the needs of Chettipalayam, Kilakkalur and Burma colony.

Collecting milk for private dairies, collecting deposits for finance corporations and collecting firewood (mainly Prosopis, are all new activities in the hamlet.

THE POSITION OF WOMEN IN THE HAMLET

There had been an improvement of the position of women in the hamlet on the whole. But the improvement had been more pronounced in the case of landless labourers than in others. As stated earlier, there have become aware of their dignity and do not ordinarily agree to work as domestic labourers. With greater employment opportunities, they have much more independence than before.

But the patriarchal mode is still dominant. All women are aware of family planning. Tubectomies after two or three children have become acceptable. Girls ride bicycles, which would have been scandalous 50 years back. School going girls wear salwar-kamees, though jeans are still taboo. Married women are still confined to saree wearing. One landlord family is breaking it now; the reaction of the villagers is still mute.

Rich and middle class parents do NOT want to give their daughters in marriage to land-owners! This is exactly the reverse of the situation which prevailed in 1950s. More and more 'educated' girls are coming to the hamlet as daughter's in laws. It is their insistence which has brought cable TV to the hamlet. Most educated daughter's in law prefer their husbands moving to town.

Both among land-owners and landless labourers of all castes, dowry menace has increased. So girl children are considered a 'burden' to be disposed of. At least in the case of landless labourers she is an earning member. So the dowry is more 'tolerable'. In the case of landowners, dowry and 'seer' are very high. Education has spread among girls, but it has not had any impact on dowry evil.

Caste in the Hamlet:

In 1950s the untouchables were not permitted to tie the towel around the head or to sport it over the shoulders. Water will be poured from a cup from above, which they will have to hold in cupped hands to drink. They were not permitted to enter the courtyards of many households. They could not cycle along the

streets of the hamlets. They could not smoke in the presence of superior caste men. To-day all these have changed. Eventhough entry into houses is still prohibited (except in three households), the rest of the restrictions mentioned above have disappeared. This did not happen in a day. This happened as an incremental change over a period of decades.

There are other areas also in which the caste solidity is breaking. In the gang labour contract, upto the mid 1980s the gangs were entirely composed of single caste men. Now intermingling is increasing. Now in a dominantly cobbler gang, a few goundars are working. The leader of the gang is the cobbler. In other words, the higher community workers are working under the nominal command of lower caste men. This is not an unusual phenomenon. Even in the 1940s, Mr.V a cobbler was the "Pannai Pakki" for a big land owner - supervising farm operations. From 1960 to mid 1980s, Mr.P was the "Pannai Pakki" for the largest landowner of the hamlet. But these persons were showing formal signs of respect to the high caste workers serving under their supervision. Their 'authority' was supposed to be derived from their high caste masters. They were "Pannai Pakkis" because they were highly skilled. But what is new in the intermixing in gang labour contract is that there is no such nominal high caste authority to support any such fiction.

Upto 1960 the hamlet's high caste population successfully resisted temple entry in neighbouring Appipalayam Mariamman temple, saying that it is a private temple. But a sub-inspector of police from the SC came and settled in the neighbouring hamlet after retirement. He started organising the SCs. The higher castes decided that it was strategically wiser to enter into a compromise. So the SCs are now permitted entry and separate time/days are allotted for them to celebrate festival in the temple. Still it is an uneasy compromise; because one SC caste is permitted entry into the temple, whereas another is to worship only from the courtyard; and the younger members of SCs are insisting on complete equality.

The younger members of SC community are not interested in performing the drum beating in life cycle ceremonies any more. They are persuading the older members also not to perform the 'demeaning' work. The older generation is caught in a dilemma - because the way of life in which they grew up is disappearing and the way of life which the younger generation is seeking is beyond their economic reach. This is equally true for the older generation of higher castes too.

If caste is losing its hold in some directions, it is strengthening its strangle-hold in other directions. The net work externalities of caste organisation is fully utilised in credit market. The Finance Corporations use the caste links to gather information about loan applicants, their credit worthiness, their honesty etc; and when in default, to persuade the defaulter to repay. The threat that probable extra-legal sanctions would be used would be sent through "Pangalis". Since the Finance Corporations themselves have partners from different castes, the different partners 'take care of' their respective caste borrowers. On the rare occasions when extra legal methods were used to get back loans, the caste organisations of the locality are usually informed in advance so that they would not turn hostile to them. In the collection of deposits also, the caste network comes in handy. A local person is acting as an agent to collect deposits and generally he is a 'pangali' or 'uncle' from the same caste.

The life cycle ceremonies are becoming more and more elaborate and costly. Getting the approval and recognition of fellow castemen has become a principal aim. "Kida Vettu", (sacrificing a goat) has got a new lease of life. Newly rich persons send printed invitations to Pangalis.

Dowry menace has become a bane among all communities. In 1950s it was much less common. Now it has permeated all levels. Much worse, it has got the sanction of all caste members. In the Goundar community, on the betrothal day, some elder asks unashamedly in public, how much would be given in cash in "box" by bride's family: a question which would not be so openly asked in the 1950s. Even the SCs have not escaped the dowry menace.

The caste war of 1962-63 is still green in the memory of most hamlet people. It was the presence of mind and leadership quality of a few persons of the hamlet at that time which prevented another KILAVENMANI being repeated in Pallapalayam. There was large scale looting then and a few huts were set on fire. Only the too young and too old SCs were in the village. The Goundar leaders, especially one, thought it prudent to round them up and send them out - which prevented an otherwise orgy of death. So when another caste conflict broke out in Thottakkurichi in late 1980s, the hamlet and surroundings were extremely tense; but an uneasy truce prevailed.

Now caste associations are becoming stronger. Every hamlet has at its entrance a welcome board proclaiming loudly its caste affiliation. Karur had witnessed recently a number of caste procesions: each one on a grander scale than the other castes! On the one night when there was a massive goundar rally to make Karur the capital of a new district and to name it after Deeran Chinnamalai Goundar, the liquor sale is reported to have reached more than Rs.1 Crore. The same is reported to be true for other caste rallies also.

While economic necessity compels the caste segregation to become less rigid, social compulsions are increasing its rigidity in other directions. Politicians find it to their advantage to promote the caste card. Passions are fanned up and rooms for compromises are reduced. Which way the future would go remains still a puzzle.

CONCLUSION

In 1940-50, the hamlet was a prosperous, primarily agricultural place. It had additional respect because of its educated elite. The State's role was minimal.

In 1995, it is a declining hamlet where a majority of its farmers are not breaking even. Unlike in 1940-50, there is no pride in land ownership. In the wedding invitation in 1940-50, even marginal farmers would proclaim themselves as 'Mirasdars' (NILAK KIZHARS in 'pure' Tamil). Now that term is rarely used.

Agricultural inputs are heavily subsidised. Yet most farms are not profitable. The cost of farm operations have risen faster than incomes. There is only one saving future. The land values are rising fast. So large landowners wait for a day when they can sell and move away as most of their successful cousins have done. Their dream is not to remain but to quit! The pioneer who left Cauvery belt to settle here in 1860s would not have imagined that some day his descendents would consider business to be better than agriculture and would quit the hamlet where two of the legendency heroes of the community were born and brought up. But that is the ground reality.

A comparison between the urban and rural scene shows that there is a ray of hope in the minds of the urban inhabitants where there is a sense of optimism, and in the hamlet there is a sense of defeat and a mood of pessimism. In the 40s and 50s life was difficult, but there appeared to be a sense of contentment in accepting their station in life. In the mid 90s, the standards of life of almost all of them have improved both in the town and the hamlet. But there is more restlessness, frustration and corruption. In both the town and the hamlet the traditional values of honesty, truthfulness and loyalty are on the decline.