

C H A P T E R - IV

Revenue System and Poverty With Special Reference to Rural Indebtedness in Darjeeling Hill Areas.

General outline on Revenue System:

The British introduced almost a modern land tenure system in the hill areas nearly a hundred years ago. The Zamindari system that distinguished the land tenure system in other districts of West Bengal, was never introduced in the hill areas of Darjeeling. In the plains, there was always a dichotomy between a cultivating peasant and a non-cultivating Zamindor. But this system is usually not found in the hill areas and most of the farmers are also the owners of the land and the rent is payable to the government directly. In between the government and the cultivating peasant no intermediary is supposed to exist under the British system.

The abolition of the Zamindari system in the middle of the 1950's in the plains created a new relationship between the Zamindor and the ryot and very often it led to tension. But as there is no Zamindor in the hill areas the agrarian relationship is different here.

After the annexation of Kalimpong and its subsequent transfer to Darjeeling, the district of Darjeeling was divided into two sub-divisions - (a) Sadar Sub-division of 960 sq. miles and (b) Terai sub-division of about 274 sq. miles with the head quarters at Hanskhowa (now Phansidewa). Later Siliguri, trans-

formed from Jalpaiguri, was made the Head-Quarter. In 1881, Kurseong Sub-division was created which included the Rasal Sub-division and the lower hills. Again in 1907 it was split into Siliguri and Kurseong Sub-Division. Kalimpang sub-division was created in 1915.

Until 1906, this district was a part of Rajshahi Division. After the partition of Bengal in 1905, it was transferred to Bhagalpur Division, Bihar. After the abolition of the partition it again came back to Rajshahi division. After the partition of India in 1947 the district (with its boundary in tact) was transferred to the Presidency Division and later to Jalpaiguri Division of West Bengal.

A salient feature of the Government policy in the administration of the district from the early days had been a major emphasis on safeguarding the interests of hillmen. Transfer of holdings in the hill Bhawalpur from hillmen to plainmen was not permitted and except for special reasons transfers from Bhutias and Lepchas to Nepalese were not allowed in Kalimpang Bhawalpur. After the creation of Kalimpang, the Government would not allow any lease for growing Tea there, save under very special circumstances. Therefore, there are only a few gardens in Gerubathan P.S. in Kalimpang Sub-division.

For the purpose of Revenue Administration there used to be a broad classification of "Tea Areas" and "Non-Tea Areas".

The 'Hon-ton Arang' consisted of four permanently settled estates in the territories annexed from Sikkim, which were originally leased out to Choku Lama, for a period of 3 years having area of 72,446.08 acres of land on annual rent of Rs. 20/- in recognition of the help he rendered to the British in their dispute with Sikkim. Subsequently, the Government made a grant of the land in proprietary right to him and his heirs for ever, subject to the annual payment of rent of Rs. 500/- by him and Rs. 1000/- by his heirs after death. In 1882-83 about 42,458.00 acres of the estates containing the Singalila Forest were sold to the Forest Department. (1)

After the death of Choku Lama, the tract was leased jointly to his son, Nechuk Dewan and Dophoo Pharboo Dewan and Zondak Pulgor. In 1883 the area of 1,645 acres was transferred, with the approval of the Government to Sonam Singh, a nephew of Raja Zondak. In 1889, Pharboo transferred his 1/3rd share in favour of Nechuk Dewan whose share now became 2/3rd. Later a partition was effected between the co-sharers, Nechuk Dewan's share was Touzi No. 24, Raja Zondak's own share got Touzi No. 951 while Sonam Singh's share got Touzi No. 952, Revenue being Rs. 632/- Rs. 316/- and Rs. 53/- per year respectively. Upon the death of Nechuk Dewan, his share i.e. Touzi No. 24 was inherited by the widow and daughters but as under the succession system of Sikkim, women could not inherit, the estate was escheated to Government and it was made a Khazana, called Falling Government Estate. Sonam

Being failed to pay revenue to Kouzi No. 952 to the Government and subsequently, it was taken over by the Government. It became a Khamchal, called Sausong (Lolbong) Estate. The remaining portion i.e. Kouzi No. 981 (known as Kuzul Estate) descended on the death of Zondul Pulger to his five sons who partitioned it among themselves and four Kouzis were opened for them viz. 981, 1113, 1117 & 1118 with a total revenue of Rs. 316/-. The Chabu Lama's Estate was ultimately split up into twenty Houzas as per Government Notification No. 19710-L Dof. dt. 28.10.57. (2)

The other important source of revenues was from the Tea Estates which were assessed at the rate of Rs. 1.50 per acre in the hill and Rs. 2/- per acre in Terai.

The following are the Salar and Kursoong Khamchals comprising Kouzi Nos.

28	..	Holling Estate Khamchal.
35	..	West Tista Khamchal.
93	..	Hill East Road Reserve Land.
982	..	Sausong (Lolbong) Estate Khamchal.
1003	..	East Tista Khamchal.
1017	..	Hill East Reserve Land.
1034	..	Hope Town Lot No. 98.
1079	..	Dyrfooling Town Khamchal.
1121	..	Location Lease.

In these Khachchals, excepting Barjoeling Town Khachchal, the area is divided for fiscal purpose into "blocks" which are nearly equivalent to villages, as defined in the Bengal Tenancy Act, 1885, with the difference that the areas have not been defined as villages, since the B.L. Act was not in force there. Each of these blocks was under a "Mansab" who collected rent from the tenants of his block on a commission basis. (3)

One thing should be mentioned. Before the British, all the lands of hill areas were in a primitive condition and were called "waste land". At the beginning, these waste lands were settled under the Waste Land Rules of 1839, 1850 and 1862 under very favourable terms and conditions to attract people for settlement and agriculture. Subsequently, the rights and obligations of tenants were governed by the Bengal Rent Act, 1859 and so were the terms of the leases granted to the tenants. Settlement of Land Revenue used to be made under the Bengal Rent Settlement Act, 1873. The Bengal Tenancy Act, 1885 did not apply to these areas.

The most significant feature in this region was that the Government was the proprietor of these estates and there was no private landlord or tenure holder between Government and the Ryot who was usually the tiller of the soil. Under the Rent Act of 1859 a tenant got a heritable right to occupancy in any land

held by him for twelve years or more. Tenants had no right to transfer or sublet lands without the permission of the Deputy Commissioner. Transfer of subletting by hillmen to plainmen were not usually permitted by the Deputy Commissioner, nor did he usually permit Lepchas or Bhutias to transfer or sublet lands to Nepalese. (4)

It is difficult indeed to give the nature of holdings according to community but Philpot's (5) settlement Report of 1912-21 gives the holdings of Nepali, Lepchas and Bhutias as follows:-

Table 4.1

Holdings according to Ethnic Groups

Nepali Holdings	..	71.3 per cent
Lepcha Holdings	..	20.7 per cent
Bhotia Holdings	..	8.0 per cent

In spite of the prohibition enforced by law, subletting was quite common. Consequently, three classes of tenants came into being(1) Khatris, who pay a fixed cash rent to the land lord, (2) Khatris, who pay fixed produce as rent and (3) Khatris who share half of the crop with the ryot.

When the district was first taken over by the British administration, the hill portion was almost entirely under forest. The only cultivation was that of burning or burning down the forests by the Lepchas and Bhutias in the interior of the hills. Jhum cultivation has now entirely disappeared owing to forest

reservation, appropriation of land for tea cultivation but and extension of plough cultivation to the remaining land. This last is a far more efficient method of cultivation than jhumming but requires the application of considerable hard labour both to render the land suitable for this kind of cultivation (i.e. terracing, revetting, and irrigating it) and in the performance of the various operations of agriculture. The Nepalis according to Hunter were far more assiduous and skilful in the superior method and consequently displaced or speedily outnumbered the original inhabitants. (6)

The average size of the holding during the British period to a great extent controlled by the policies followed for regulating transfers of holdings. Transfers which increase the size of a holdings above 20 acres or reduce it below 5 acres were not sanctioned. The result was that in the West Tista Khasmahals the average size of a holding was 5.6 acres in 1941 and on the Rolling and Sambong Estate 7.5 acres. In the Kalimpong Government Estates the average was 6.00 acres. (7)

But since independence, the situation has changed drastically. If we compare the total ratio, namely land per cultivating household we would notice that the land available for cultivation has drastically fallen over the years. The following Table (4.2) will illustrate. (8)

Table - 4.2

Decline of land holding per household in Different Years.

Year	Cultivating land/ Cultivating Household
1931	7.21 acres
1941	5.21 acres
1971	1.91 acres

In other words, the pressure of land has increased and it has led to the pauperisation of the rural masses. It seems that the land holding per cultivating household has decreased over time and consequently a large number of farmers are "marginal" farmers. The nature of poverty could be understood if we distribute the families according to the amount of cultivated land held by the farm households. It can be seen that about 59 per cent or more of the families hold land less than one acre and 36 per cent of household land less than 5 acres.

Percentage of Households cultivating land (9) according to size (1971 Census) are shown in the table below:-

DARJEELING DISTRICT SIZE OF LAND HOLDINGS

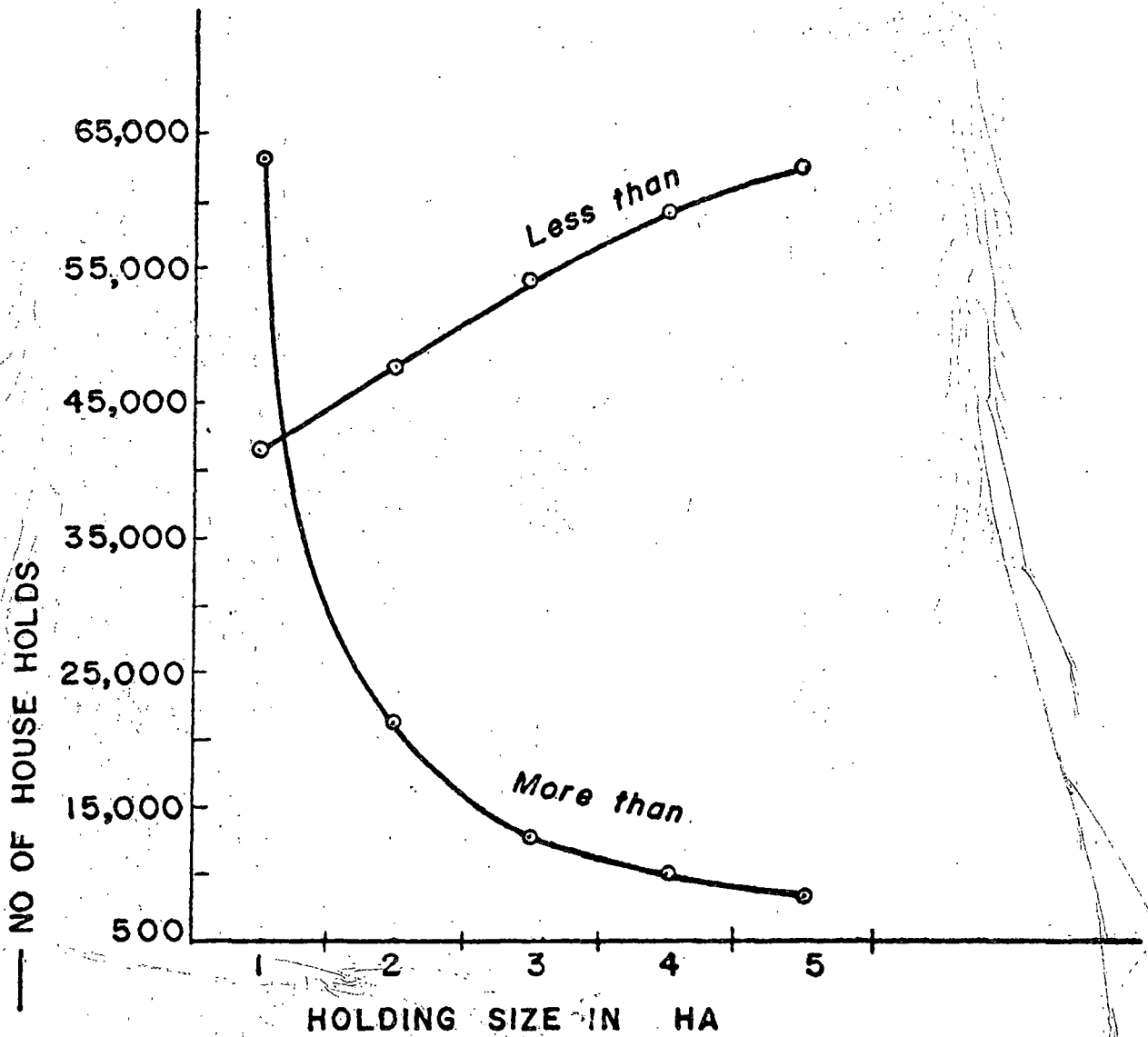


Fig. 9.
Darjeeling District - Size of Land Holdings.

Table 1.4.2

Percentage of Households cultivating Less According To Size (1971 Census).

No. of Families	Less than one acres	One to five acres	Five to ten acres	Ten to fifteen acres	Fifteen to thirty acres	Thirty to fifty acres	More than fifty acres
1	2	3	4	5	6	7	8
Kunzong (3905)	63	25	7	2.5	1.5	.5	.5
Mirik (3735)	72	26	2	0	0	0	0
Deojoling (2315)	99	6	1	1	3	0	0
Kullings (10987)	12	53	22	5	2	1	0
Gerubathan (3335)	35	30	14	7	3	1.5	.5
Fulphong (2315)	0	67	10	4	2	0	1
Jorebunglow (3637)	77	17	2	1	1	.5	.5
Bangal Banglot (3235)	66	23	4	1	.5	.5	0

It is evident from the above Table that a large percentage of the hill people are engaged in cultivation of those lands whose size is less than one acre. In most of the areas, the farmers own a very small plot of land.

What is more important to note is that the area under cultivation is nearly static for the last forty years and that there is hardly any scope for further expansion. In view of the population pressure, due to natural growth, the land-man ratio is going to deteriorate further and more and more lands would be fragmented and so larger families would go down from the status of the "middle farmers" to the "marginal farmers".

The pressure on land in the Darjeeling Hill areas increased due to the fact that only a small fraction of land is available for cultivation and plantation. It has been estimated that 14.2 per cent of land is under cultivation and 43.3 per cent area is under forest 21.3 % under permanent waste and 8.0 percent had been occupying about 6.3 percent of total area. Consequently land available for cultivation is only 0.18 acre per man. No where the landman ratio is so low either in West Bengal or in India. Some comparison may be made with other districts of West Bengal to show the nature of problem in the Darjeeling Hill area. (10)

Table-4.4

Proportion of Agricultural Land to total Land in Darjeeling Hill Area in comparison to other districts of West Bengal.

Areas	Area Under Cultivation	
	Percentage of Total Land	
Darjeeling Hill areas	14.20	
Nadia District	30.00	
West Dinajpur	31.00	
Cooch Behar	67.00	
Jalpaiguri	50.00	
Purulia	40.00	
Haldia	75.00	
West Bengal	63.00	

Again the land use of the 14.2 per cent land is different in different areas of the hills. The total available land is distributed between crop cultivation and tea plantation. In some areas most of the lands available for cultivation are used for plantation of tea rather than for cultivation of crops. The following Table would illustrate. (11)

Table - 4.5

Use of Available Land between cropland and Tea Land in p

Area	Total land (in percent)	Crop Land (in percent)
Guriaipokri -		
Jorebunglow	68	32
Darjeeling -		
Hulbazar	34	66
Nadia Rangit	43	52

Contd....

Table 4.5.....Contd.

Kalinpong	10	90
Garubadma	10	81
Kursong	73	87
Mirik	66	34
Total Area	49	60

From the Table it is clear that in different regions of Hill areas the land use pattern is different. In the Kalinpong-Garubadma area land is used mainly for cultivation, whereas in Kursong-Mirik-Bukhianpuri-Jorebunglow land is mainly used ^{for} tea cultivation. Out of total area available (i.e. 85220 acres) land used for cultivation is about 51132 acres and for tea cultivation is about 34088 acres. This means that out of available land 60 per cent is used for crop cultivation and 40 per cent is used for tea cultivation. There are about 43570 cultivating households in this area. Therefore, there is about 1.10 acre land available for crop cultivation. So almost all the farmers are "marginal" in this area, which means that average land holding is less than 2.5 acres.

The increasing population due to population growth could not be accommodated any more by the tea gardens. Hence, more and more people have concentrated on the land. But land is neither available nor fertile. But in the absence of any other opportunity a large number of people have taken recourse to land cultivation for the livelihood. One important feature to note is that growth of

Rural population is increasing at a higher rate than the urban population. The following Table would illustrate. (12)

Table - 4.6

Growth of Rural and Urban Population in Darjeeling Hill Area.

1951 = 100

Year	Urban	Rural
1961	107	122
1971	109	143

The growth of population in the rural sector was high in the 1961-71 decade. The population in the urban sector had increased only by 4 per cent in 1971 in comparison to 1961 (from 79166 in 1961 to 82723 in 1971). The corresponding rate of growth of rural population from 1961 to 1971 is about 21 per cent, (from 385620 in 1961 to 467350 in 1971). In other words, due to lack of employment opportunity the pressure on land in the rural area is gradually increasing.

But during the British period the opposite had happened - the rate of growth of urban population was higher than the rural population. This can be illustrated from the following table. (13)

Table 4.7

Growth of Rural and Urban Population over time
period.

1931 = 100

Year	Urban	Rural
1941	127	113
1951	155	132

(It is assumed that the impact of British policy was felt upto the year 1931.)

During the British period the relative rate of growth of population in the urban sector was higher than the rural sector. It implies that more job opportunities were created in the urban areas and there was less growth of rural population. But since independence the pressure on land started to mount and consequently, a larger number of people own a smaller amount of land.

The increasing pressure of rural population on the rural sector has a number of implications. One of the important features to note, in this context, is that the size of the villages in the rural area is large and larger than the West Bengal average. (14)

For every 1.75 villages in West Bengal per 100 sq. miles there is only one village in the Hill areas of Darjeeling.

The distribution of the villages in the different areas of Hill areas is shown below: (15)

Table - 1.3

Number of inhabited villages, average population per village and number of villages per hundred square miles (1971 Census).

Area	Area in square miles	No. of Inhabited villages	Average population per village.	No. of inhabited villages per 100 sq. miles.
Barjeeling	89.3	23	3490	26
Phulbari				
Gulhianpatri	146.0	30	1301	27
Jorebunglow				
Bangli	118.0	20	2501	17
Bangliot				
Kalinpong	232.0	64	1231	23
Garubathan	172.6	27	1196	15
Kurnoong	191.6	33	1455	30
Hirik	97.6	10	2352	27
Himal Hill area	323.6	231	1733	34
West Bengal	33530.0	30074	376	114

The villages in the Hill areas are sparsely distributed. In 1971 there are only 24 villages per one hundred square miles, the corresponding number in the plain areas of Barjeeling district (namely Siliguri Sub-division) is 30.

But interestingly, more persons live together in a village in the Hill areas than in the plains. In 1971, there are about 675 persons on an average in an inhabited village in the West Bengal, 714 persons in the Siliguri Sub-Division, but in the rural areas ~~in~~ of the hill the number of persons per village is about 1200.

From the above it can be stated that most of the rural people live in the big villages rather than in small villages. This is one peculiar characteristic of the hill areas of Darjeeling and not found in the other areas of India, where similar physical features prevail.

Table - 4.2

Percentage of People living in villages according to size in different hill areas of India

Name of place	Less than 200	200 - 499	500 and above
Darjeeling	2.33	12.01	85.61
Assam Hill Districts of Assam	33.22	34.15	27.03
Naga	49.67	23.65	29.44
Mizoram	0.55	26.52	63.03

Source : 1961 Census.

It is clear from the above Table that a smaller proportion of hill people live in small villages in Darjeeling than the other hill areas of India. In Darjeeling most of the people live in villages which are larger in size. One of the reasons is that tea gardens in the hill areas are considered "as villages" and there is a large number of people concentrated in the gardens. For example, in Mirik area of Kurseong there are 10 villages and out of this, 8 are tea gardens and two are "actual villages", in the conventional sense of the term. Breakup of the tea gardens and "actual villages" are shown according to blockwise (15):-

Table 4.10

Number of Agricultural Villages and Settlement Villages in different blocks.

Name of the Blocks	Agricultural villages.	Plantation Settlement (or Tea Garden villages).
Sukhiapokri	15	21
Jorhingatew		
Garubathan	21	6
Rangli Ranglic	13	7
Darjeeling-		
Pailbasar	6	17
Kalinpong	63	1
Mirik	2	3
Kurseong	19	25

One of the reasons for the larger size in the average density of population in the hill areas is that tea areas are considered as villages according to Census. The tea areas have their own "township" management. They have their own water supply, electricity, school, medical facilities and different type of arrangement. It is to be noted that most of the labourers stay inside the gardens rather than come from "outside" as contracters. In 1973, the operating tea gardens of Darjeeling together had 40, 173 workers on their roll. Out of this total 26,361 (61 percent) were "resident workers" and only 7 per cent workers came to the gardens from outside.

The number of villages according to population size is given below: (17)

Table - 4.11

Size and Population Density in Villages.

Area	1-500	500-1000	1000-1500	1500-4999	5000 above
Darjeeling Phalguni	0	7	8	0	2
Budhipetri Jorabangla	11	4	20	4	2
Bangli Banglot	6	6	8	2	0
Kalimpong	32	11	19	10	1
Garabachan	13	10	3	4	0
Karabong	12	13	7	4	2
Harik	0	2	0	3	0
Darjeeling Hill areas	74	53	70	33	0

It should be noted that the villages in Darjeeling - Pailan area are of larger size than those in Malimpang. The largest number of small villages are to be found in Malimpang area. In area the size of the villages are evenly distributed. But in general as Malimpang is mainly an agricultural area, the number of small villages are found in larger number there. But in Tea area the villages are larger in size.

The Occupation Structure in the Rural Areas

West Bengal especially North Bengal predominantly depends on agriculture with 91 per cent of the total population residing in villages. According to one estimate, agriculture generates nearly 70 % of the total income of North Bengal. In Darjeeling District, however, the total income generated from agriculture is about 40 per cent. In the Darjeeling hill areas total income generated from plantation and forestry is around 40 per cent. This shows that plantation industry is most important sector in this area. (18)

Though agriculture is another very important source of income in the rural area, its importance in the Darjeeling District as a whole is less than other districts as a source of employment. The following Table would illustrate. (19)

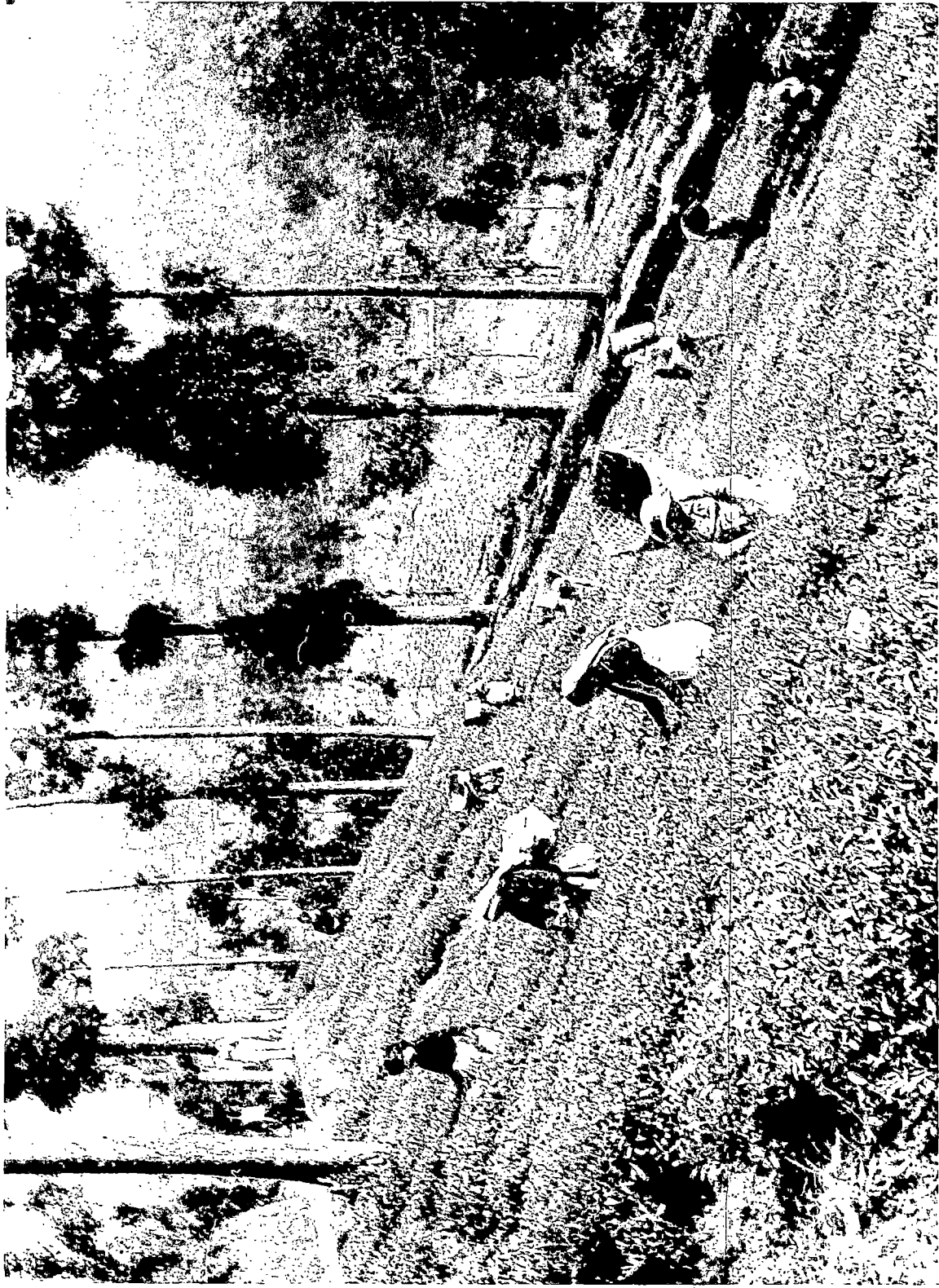


Fig. 1.
No. Garden - Famous for Best Quality Coar.

Table - 4.12Cultivations in Darjeeling in Comparison to other Districts of West Bengal.

Districts	Percentage of People Cultivators.	Percentage of People as agri. cultural labourers.
Darjeeling	42.25	9.5
Jalpaiguri	43.00	10.23
Cooch Behar	88.00	15.60
West Dinajpur	57.05	23.23
Malda	45.53	31.05
North Bengal	43.93	20.12

It should be noted that compared to other districts of North Bengal fewer persons are engaged in cultivation in Darjeeling District as a whole. Another important thing to note that agricultural labourers are less in number than in other districts of North Bengal, according to 1971 Census.

But this aggregative figure rather does not reflect the importance of agriculture in different hill areas of Darjeeling. Moreover, it should be noted that the category of "agricultural labourers" is something of a new phenomenon in the district, especially in the hill areas. This category assumed some importance after the 1951 census. The comparative estimate of the occupational shift in the two censuses are shown in the next Table. (20)

Table 4.13

The change of occupation structure in the last two counts is shown below:

Occupation	Durham - Fullerton		Chattahoochee - Josephine		Harris - Hamilton	
	1961	1971	1961	1971	1961	1971
Calistoga	47.0	39.4	23.4	15.6	40.3	34.9
Agricultural Laborers	2.7	7.4	1.7	7.1	1.1	7.0
Manufacture Furniture etc.	41.6	37.1	61.9	61.1	59.9	47.4
Mining and Quarrying	0.0	0.00	0.0	0.0	0.0	0.0
Household Industry	0.0	2.1	0.7	0.4	1.4	2.2
Other than Household Ind.	0.00	1.2	0.1	2.6	0.94	1.4
Construction	0.0	1.7	0.00	0.0	0.2	0.2
Trade and Commerce	1.7	1.8	2.0	2.0	1.2	1.4
Transport	0.1	1.0	0.5	2.0	0.1	0.3
Other services	6.0	6.8	6.3	7.5	4.0	4.1

Continued

Table A-13.....Contd.

	Malayalam II		Malayalam I		Kasabathan	
	1961	1971	1961	1971	1961	1971
Cultivator	23.5	66.1	33.2	46.9	45.4	61.4
Agricultural labourer	1.4	7.4	6.0	24.9	9.1	4.7
Plantation Forestry etc.	7.7	0.3	4.6	0.7	31.6	23.7
Mining and Quarrying	0.0	0.0	0.0	0.0	0.0	0.0
Household Industry	0.3	0.3	1.9	0.3	0.3	0.3
Other than Household Industry	0.0	0.3	0.2	1.0	0.2	0.0
Construction	0.3	1.9	0.4	1.0	6.6	0.6
Trade and Commerce	1.3	2.2	2.5	2.2	1.3	1.4
Transport	0.1	0.3	0.0	1.0	0.04	0.2
Other Services	4.4	20.5	15.0	31.4	2.5	17.9

Contd.....

	Exports		Imports	
	1961	1971	1961	1971
Total	27.5	19.8	35.0	19.2
Agricultural Exports	0.3	7.2	2.3	0.2
Manufactures, Machinery etc.	65.3	65.3	50.4	51.7
Mining and Quarrying	0.0	0.0	0.0	0.0
Household Industry	1.1	1.6	1.6	0.3
Other than Household Industries	0.1	1.3	0.0	1.7
Construction	0.0	1.3	0.0	0.1
Trade and Commerce	1.0	1.6	2.1	3.0
Transport	4.1	0.3	0.0	0.0
Other Services	14.0	13.0	2.1	7.0

From the comparison of the Census data one thing can be immediately concluded. It should be noted that the category of "agricultural labour" which was virtually zero or near zero during the British period has suddenly assumed some importance in the occupational pattern of the rural areas. As late as 1961, the proportion of landless agricultural labourers has increased 3 to 4 times in most of the areas. The proportion has increased most in Kalimpang area. This shows that due to pressure of population and due to lack of any other alternative occupation in the rural sector a large number of people have become agricultural labourers. (21) This is a sign of pauperization of the rural areas of the Hill. In the British period most of the tillers of land were also owners. But during the post-independence period, there is a cleavage between the ownership of the means of production and labourers. Naturally, this is a "counter revolution" that has silently occurred in the hill areas. Along with this feature, the number of owner cultivators has decreased in most of the areas.

Another interesting feature to note is the fall of tea plantation industries as the source of employment in almost all the blocks of the area. As tea industry is stagnant, there is hardly any scope for further improvement of employment opportunity in the

tea industry. Consequently, a larger number of people have crowded on the agricultural land. This is "viable" employment. But considering the nature of employment, the pattern follows the traditional theory of economics, namely too many people are engaged on too few lands. The "employment" or so-called "employment" is not productive.

The small scale industry or large scale industry is unimportant as a source of employment in the rural sector. In fact less than two per cent of people are engaged in the small scale household industries.

Some specific attempts were made by the Rural Industries Department to start a few small scale industries in the area after 1973. The department attempted to set up new industries in the small scale sector and tried to solve the unemployment problem, by under-taking schemes for guiding, promoting and marketing the handicrafts of the area. But as there is no clear cut policy direction in this respect only a few handful persons have been able to take the advantage of the new schemes.

More or less agriculture and tea plantation are the two important sources of employment in the rural areas. But as there is hardly any scope for employment in these two sectors, unemployment is likely to increase more and more in the near future. The fall in owner

cultivator has been accompanied by the rise in the growth of agricultural labour. If 1961 is taken as the base year for both owner cultivators and agricultural labour then the nature of growth could be understood from the following table.

Table - 4.14

Rise and Fall of Owner Cultivators and Agricultural Labourers.

Rise and Fall of Owner Cultivators from 1961 to 1971.	1971 1961 = 100	Rise and fall of Agricultural labourers from 1961 to 1971
71	Darjeeling	303
	Maldasar	
66	Gulmohari	404
	Jorhaling	
105	Bangli	303
	Bengliet	
79	Kalinpong (II)	315
80	Kalinpong (I)	284
121	Garubathan	173
94	Bursong	1930
61	Mirik	435

Source - Census Reports of 1961, 1971.

The per capital income in the hill areas have been calculated as follows:

Table - 4.15

Per Capita Income (at 1950-51 prices)

	1970 - 71	1971 - 72	1972 - 73	1973 - 74
Hill areas	295	315	317	315
Darjeeling	310	327	336	334
West Bengal	334	346	340	350
Per Capita Income at Current Price				
Hill Areas	410	442	440	502
Darjeeling	431	464	461	538
West Bengal	542	573	569	658

Source C. M. R. O Report p. 30.

However, per capital income does not truly reflect the nature of poverty in the rural area. A Survey was undertaken in the rural area of Kurseong by Dr. M. Dasgupta to determine the

nature of inequality and distribution of wealth. (22) Though it is difficult to estimate income correctly, the results may be treated as tentative. However, the results of the survey are given below:

Table - 4.15

Distribution of families according to per family monthly income at current prices in the Rural Sector.

Percentage of Families.	Level of income per family (in rupees)
56.74	0 - 300
34.36	300 - 600
6.17	600 - 900
2.54	900 - 1200
0.56	1200 - and above

From the above table it is clear that a vast majority of people live below Rs. 300/- per month. The average size of the family is 5.7 or nearly 6 members. Therefore, the per capita monthly income is nearly Rs. 50

DISTRIBUTION OF INCOME BY HOUSEHOLDS IN RURAL AREAS IN DARJEELING DISTRICT

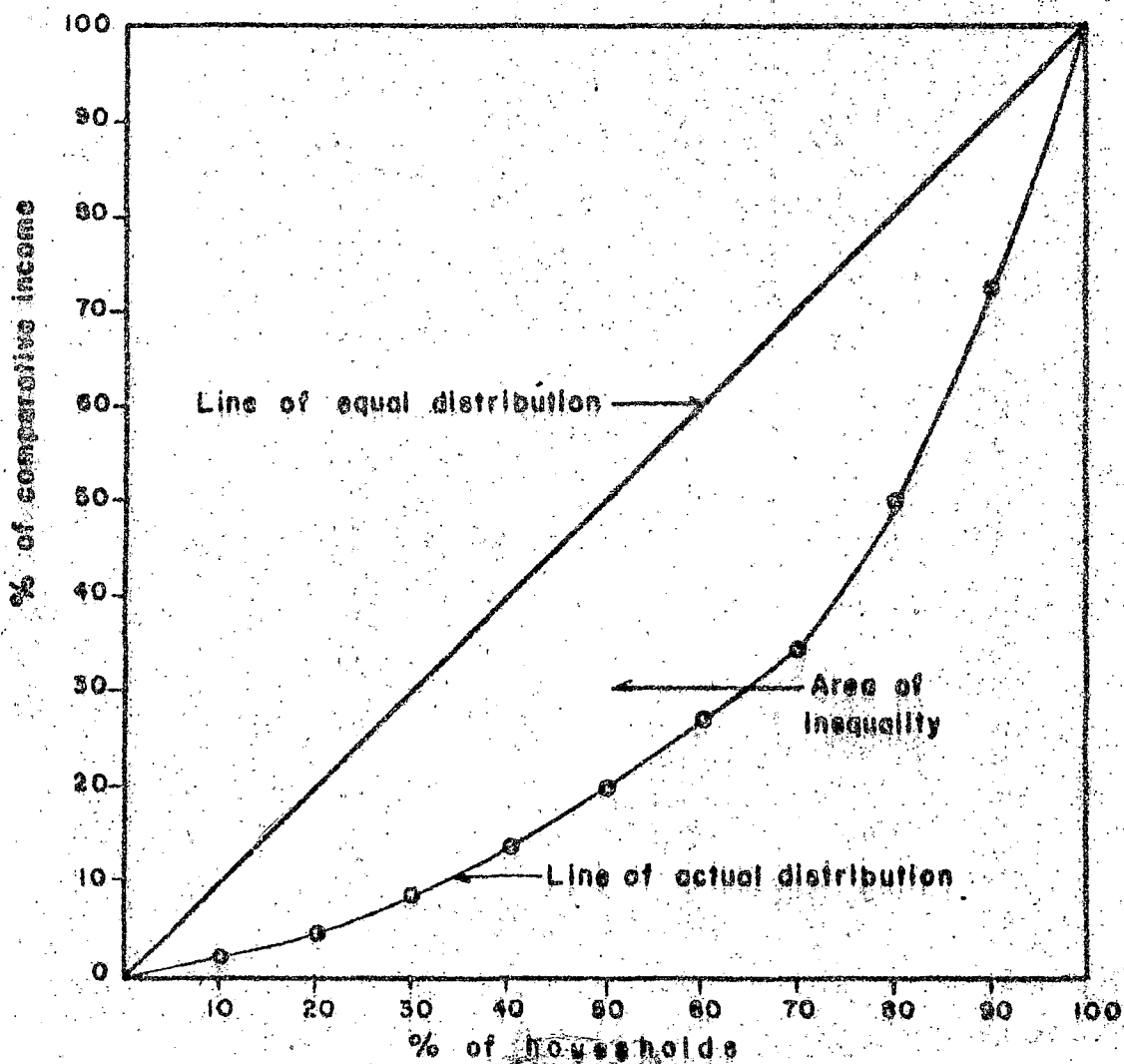


Fig.10. Lorenz curve showing Distribution of Income by Households in Rural Areas in Darjeeling District.

which comes to less than Rs. 2/- per day for nearly 57 percent of the population.

The extent of poverty would further be magnified if we fit the Lorenz curve of income distribution to data. The following results are found:-

Top tenth	37.0
2nd tenth	23.0
3rd tenth	15.0
4th tenth	7.5
5th tenth	7.0
6th tenth	6.0
7th tenth	5.5
8th tenth	4.0
9th tenth	3.0
10th tenth	2.0

Under the limitation of data, we have attempted to show the extent of inequality of income in the rural sector. It is evident that the top tenth and second tenth families have nearly 50 per cent of income. This can be stated in a different way, namely, 50 per cent of the families in the rural sector have 50 per cent of income and 50 per cent of the families have 50 per cent of income.

Rural Indebtedness in Darjeeling Hill Areas.

The majority of the cultivators are not far removed from utter destitution. The existence of crushing debt is universally acknowledged to be one of the main causes of this state of affairs. The presence of a huge volume of indebtedness, which is mostly unproductive, inhibits improvement in every direction and constitutes one of the most serious problems of agricultural economy. As the late Mr. Wolff put it: 'The country is in the grip of Mahajan. It is the heads of debt that strangle agriculture'. (20) If indebtedness is a cause of poverty the reverse also is equally true. The principal causes of indebtedness like excessive growing pressure of population on land, continuous sub-division and fragmentation of land, the loss of income to the ryots due to lack of subsidiary occupation in the off-season, ill health of the ryot, inequality of harvests, the land revenue policy and other notable factors often cause an occasion of borrowing. Another notable cause of rural indebtedness was ancestral debt, debt being passed on from father to son, generation after generation, without any equitable restrictions. Lastly, the money-lender and the system of usury comprising various types of money lenders who supply rural finance through their methods of business aggravates the indebtedness and degenerates the existing credit system into a klaryari tenure.

The trend of indebtedness in the post-war period

So-far can not easily be assessed for want of appropriate data. There have, however, been a few enquiries into indebtedness in West Bengal. According to Rural Credit Survey, the level of the outstanding debt per family varies from Rs. 100 to Rs. 500, and the incidence of indebtedness ^{is} higher among the cultivating than the non-cultivating class despite the fact that the latter was the worse off economically. (24)

As regards the debt - assets ratio, in general, the outstanding debt was less than 10% of the value of the total assets of the cultivator, although the ratio was far more unfavourable for the small and marginal farmers.

However an exact amount of rural indebtedness in Darjeeling hill area is not known to us. All the government reports like the reports of R.S.I, H.S.S. (10th round) give the aggregated figure of West Bengal or an selected regions of West Bengal. Hence for the purpose of studying the extent of indebtedness among the rural farmers of this region a group of villages were chosen carefully for survey. The three group of villages, namely, Soursani in Mirik Block, Saldah in Jorebunglow - Sukhiapokhri Block and Hungra in Kalimpong Block are chosen for the study. Altogether 412 households were studied on this direction.

The aggregative figures of these sample households show that sources of loan for the villages are mostly unlicensed money lenders-cum-shopkeepers. The figures are given in percents

ages in Table-4.12.

Table - 4.12

Source of Loan for the Agriculturists in Three Groups of Villages.

Sources of Loan.	Percentage Distribution of amount of outstanding loan.
1. Co-operative Society	3.05
2. Employer	1.15
3. Own Land Lord	0.14
4. Money lenders (licensed)	2.06
5. Money lenders (Unlicensed)-Own -Shopkeepers	40.63
6. Friends and relatives	17.21
7. Government Credit Institu- tion.	25.53
8. Others	9.24
	100.00

From the above table (4.12) it is quite clear that inspite of changes in the credit structure about 74% of the loans are taken from village money lenders, friends, relatives and other sources.

Table 4.13 shows that outstanding amount of loan varies with the type of interest required to be paid. The percentage is

highest when the type of interest is simple.

Table - 4.19

Percentage Distribution of Outstanding Loan by Type of Interest.

Type of Interest	Percentage
1. Simple	65.70
2. Compound	2.26
3. Debt bondage	18.04
4. Dation	14.00

The following table 4.20 indicates that the amount of loan represents on the mode of repayment. The outstanding amount of loan is highest when the mode of repayment is in cash.

Table - 4.20

Percentage distribution of amount of outstanding loan by Mode of Repayment.

Mode of repayment	Percentage
1. Cash	65.28
2. Kind	12.21
3. Cash and Kind	22.21
4. Labour for specific period	0.30

The following table 4.21 indicates that the percentage distribution of amount of outstanding loan by purpose of loan. It is seen that the percentage of outstanding loan is highest against the purpose of consumption for normal maintenance including education, sickness, unemployment etc. than against purchase of land, cattle, implements, tools etc.

Table - 4.21

Percentage Distribution of Amount of Outstanding Loan By Purpose of Loan.

<u>Purpose of Loan</u>	<u>Percentage</u>
I.A. Production (Agricultural)	
i) Capital Account Purchase of land, cattle, implements, tools etc.	21.33
ii) Current Account - Purchase of seeds and manures.	7.12
iii) Marketing	1.00
B. Production (other Enterprises)	
i) Capital Account - Purchase of Building, Implements, Tools etc.	0.23
ii) Current Account - Purchase of raw material etc.	0.32
iii) Marketing	0.23

Contd.....

Table - 4.81.....Contd.

Purpose of loan	Percentage
2. Consumption	
i) Normal maintenance including education, sickness, unemployment.	37.83
ii) House repair	2.35
iii) Purchase of residential and other durable goods for domestic use.	4.25
3. Social purposes.	
i) Festival	0.83
ii) Marriage	7.21
iii) Birth	-
iv) Death	0.83
v) Others	1.23
4. Others.	
i) Litigation	2.03
ii) Repayment of Assoc rent, loan or interest etc.	13.43
iii) Others	4.03
iv) Not recorded	0.03

The result of indebted/~~ness~~ness for the sample households for the selected areas is given below in Table 4.22.

Table - 4.22

Percent of Indebted Rural Households By Average Monthly Expenditure.

Average Monthly Income (Rs)	Percentage indebted Households.
0 - 50	51
51 - 110	53
101 - 200	55
201 - 300	56
301 - 500	32
501 - 800	33
800 and above	-

From our study it can be understood that the average monthly expenditure per indebted household is higher than that of non-indebted family.

Table - 4.22 (a)

Average Monthly Expenditure Per Indebted and Non-Indebted Rural Households.

<u>Indebtedness</u>	<u>Average Monthly Expenditure.</u>
Indebted	118.89
Non-Indebted	109.22

Table 4.22 indicates the percentage distribution of indebted rural household by size class of land cultivated. Six classification of cultivated land have been made and the percentage distribution of indebted households are shown. It is seen that in the classification group 1.00 to 1.99 acres among the total population in the hill area 69% households are indebted.

Table - 4.23

Percentage of indebted Rural Households by Size class of Land Cultivated.

<u>Land Cultivated (Acres).</u>	<u>Percentage</u>
0.00	40
0.01 - 0.99	57
1.00 - 1.99	69
2.00 - 4.99	58
5.00 - 9.99	63
10.00 - and above	52
Total	56

Table 4.24 indicates percentage of indebted rural households by average monthly expenditure. In this table seven classification of expenditure groups are shown and it is found that in the expenditure group Rs. 201 to Rs. 300 the percentage of indebted households is highest i.e., 74%.

Table - 4.24

Percentage of Indebted Rural Households by Average Monthly Expenditure.

Average Monthly Expenditure	Percentage of Indebted Households.
0 - 50	33
51 - 100	50
101 - 200	62
201 - 300	74
301 - 500	57
501 - 800	-
801 - and above	-
Total	57

Further if we look at the occupation group we will find that the largest number of population is owner cultivator in that occupation group, the percentage of indebted households is 54%. The following table 4.25 illustrate the above view.

Table - 4.25

The Percentage of Indebted Rural House-
holds by important occupation group.

Occupation	Percentage of Indebted house-holds
1. Cultivator (Owner)	54
2. Cultivator (Other Categories)	67
3. Agricultural labour	62
4. Plantation labour	49
5. Craftsman in Production and Process workers.	35

It is necessary to stress that as no institutional survey has been undertaken in this area we have ventured to undertake the survey according to National Sample Survey's methodology. We nearly spent six months during the period 1981-83 in these group of villages to understand the extent of rural indebtedness. Naturally, survey undertaken by individual research workers may have severe limitations regarding time, energy and finance. Moreover, in the winter season it is extremely difficult to go into the interior villages because of bitter cold and bad weather. In spite of occupational hazards of survey by a research worker we may tentatively draw the following conclusions:

- (1) In spite of all institutional changes the village money lenders are the important source of money lending business. They normally also the shopkeepers of the area.
- (2) Rate of interest is exorbitant and a large number of farmers are in debt-trap.
- (3) Most of the loan taken are used for various consumption purposes and there is a tendency to shift production - oriented loan into viable conspicuous consumption.
- (4) The loan burden increases with poverty and greater the poverty higher is the percentage of indebted families.
- (5) The owner cultivators who are mostly marginal in this area are highly indebted and the loans are mostly taken from the village money lenders.

Thus it is experienced that indebtedness has not been so much the result of poverty as a cause of poverty. It has assumed exceptional importance not because of its high volume, nor because it increases poverty, but because it has been accompanied by exceptionally disastrous effect. In most cases, the creditors alone used to maintain accounts book and manipulated the repayments so as to perpetuate the debt. The social and educational superiority of the money lender has also strengthened their positions. Thus, indebtedness has tended to become a permanent condition.

Until a new better system of credit facilities come into operation in our country, the role of money-lenders could not be dispensed with. They were only oasis of thrift in a desert of

of improvidence and extravagance, and was the very foundation of simple system of Indian rural economy. They used to provide over-ready credit on which the villagers could draw for all his needs.

It is in this context a study on role of institutional credit which have an impact on rural development is incorporated.

SUMMARY:

The land tenure system in Darjeeling hill areas is totally different from what it is in other parts of the country because of the fact that when Permanent Settlement Act was introduced in the year 1793 in Bengal, Darjeeling hill areas were not annexed to India by the Britishers.

For revenue collection the hill areas were divided into Tal and Non-Tal areas by the British rulers.

According to new type of finances system the government was the sole proprietor of land and estates and there was no private landlord or tenure holder.

Three classes of tenants namely Fakhurias, Rithidars and Alindars are in existence.

In course of time, due to growth of population and immigration from neighbouring states like Nepal, Bihar and Sikkim there is a continuous pressure of land and caused penetration to

the rural masses.

The land use patterns interesting to be noted. A small percentage of land is available for cultivation either for agricultural purposes or for tea plantation. The land in general less fertile due to hill terrain and for its soil characteristics. The areas under Kalimpong sub-division is known for agricultural purposes whereas the areas on the left bank of Teesta River including Darjeeling sub-division and Kurseong sub-division are better used for Tea Plantation. As regards occupation structure Plantation and forestry provides major occupation to hill people.

Majority of people in this region live below poverty line and the extent of poverty and inequality of income among them have caused major set back in the process of economic development.

Despite some institutional changes in the hill areas the money lenders still play a pioneering role in credit system. The greater the degree of poverty the higher is the percentage of rural indebtedness.

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