7
Why is Agrarian Growth Uneven?

In this chapter I explore the crucial but complex question at the core of agrarian progress in South Asia: what surplus is produced in agriculture and to whom does it accrue? Answers to this question could illuminate some key elements of social change, by providing clues to the location of investible resources, the dynamics of rural class formation, and the causes of poverty and dispossession. I cannot portray the full picture of surplus appropriation in the eight villages and twelve markets of the study. The evidence I have, however, which relates primarily to the grain surplus and household incomes, illuminates a striking contrast between conditions in Bogra and in Noakhali.

The chapter describes how the grain surplus is appropriated in the Green Revolution villages of Bogra and in the villages in the Noakhali chars, where production is dominated by sharecropping and closed commerce. There are marked differences in the size of the household grain surplus, the intensity of exchange and the forms of surplus appropriation in these two rural areas of Bangladesh.

How does this analysis shed light on the uneven rates of growth in the two regions? In Chapter 2, I described the contrast between bustling prosperity in Bogra town and the vigor of its surrounding countryside, on the one hand, and the stagnation of the Noakhali char countryside and towns, on the other. The analysis of surplus contained in this chapter illuminates the dynamics of accumulation and work that lie behind that contrast. Two points, in particular, stand out. First, much less of the surplus generated in agriculture remains in the hands of peasants in Noakhali. The rich peasants of the chars keep less of what they produce than do rich peasants in Bogra. People like Majid, the financier merchant in Charpur introduced in Chapter 2, amass a large proportion of the grain surplus in Noakhali. Absentee
landlords and merchant-financiers seem to control much of the surplus produced in agriculture. These funds, controlled by people like Majid, are not invested in new agricultural technologies. Rich peasants in Bogra retain a larger proportion of the surplus. This means that they have funds for investment in irrigation and other technologies of the Green Revolution. The contrasting levels of surplus retained by rich peasants thus provide an important part of the explanation of investment and growth in one region and stagnation in the other.

Second, the extraction of surplus in the Noakhali *chars* also has consequences for middle, small, poor and landless peasants. These groups rely on agriculture to a smaller extent than their counterparts in Bogra. They have to find additional sources of cash income, primarily wage labor, to make up for the appropriation of their surplus by merchants and landlords. In other words, there is a greater level of proletarianization in the Noakhali *chars*.

Uneven agrarian change is found throughout South Asia and in other peasant societies. The specific historical and environmental circumstances lying behind uneven development will vary. This study suggests that the form and size of the agrarian surplus provides an important part of the explanation for differences in regional prosperity.

The story of surplus extraction in Bogra and Noakhali includes unexpected connections. For example, at least one of the prominent traders from the inaccessible, apparently backward area of Noakhali has become a partner in two Dhaka garment factories, employing part of Bangladesh’s newly emerging female proletariat and supplying clothes to the global economy. This suggests that at least some of the surplus accumulation in this area contributes to industrial development. Accumulation by a ‘robber baron’ in this area is providing capital for the production of clothes for the world market.

The chapter is organized as follows: Section 7.1 discusses the concept of surplus and describes how surplus can be appropriated. Section 7.2 examines the grain surplus or grain deficit of different classes of household. Section 7.3 situates these findings on the grain surplus in relation to the cash payments and incomes of each class. Section 7.4 explores accumulation from credit in Noakhali. Section 7.5 examines accumulation in agrarian trade, Section 7.6 discusses changes noticeable 9 years after the main research and Section 7.7 provides some conclusions.