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COMMENTS

Agricultural Tenancy: A Discussion

This is a response to the comment made by Parthasarathy (1991) on Swamy's (1988) paper and Swamy's subsequent clarification (Swamy, 1991) about his definition of 'external tenancy'.

Swamy has explicitly acknowledged in his original paper that the discrepancy between land reported to be leased in and leased out arises on account of such reasons as (i) 'reporting bias - the lessors tend to under-state their leased-out area for fear of tenants staking claims in favour of continued right of cultivation' and (ii) tenant's lease in 'from the urban households, persons employed in the armed forces and institutions like temples' (Swamy 1988, p. 557). He refers to them as 'external agencies'. Having thus traced two possible sources of discrepancy, Swamy attributes the entire (or the major part of) discrepancy to the so-called 'external tenancy' (*i.e.*, tenants leasing in from the external agencies). His rationale for doing so is based on the fact that the 'external agencies' are not covered under the definition of rural households. Therefore, he argues that, '*If they are the principal lessors (emphasis added) but inadequately covered by the sample design, the data will underestimate the quantity of leased-out land*' (Swamy, 1991, p. 72). In this, Swamy has committed two types of errors. First, he ignores reporting bias on the part of the rural lessors covered in the National Sample Survey (NSS) household sample, the reason being that it cannot be quantified. In effect, he assumes the 'reporting bias' to be insignificant. Secondly, he ignores that the NSS data for 1981-82 provide quantification of rural households' leasing in from the so-called 'external agencies' and presumes that the 'external agencies' must be the principal lessors for the rural tenants.

In fact, the evidence is contrary. Parthasarathy (1991, p.71) has provided in his note an extract of the NSS data drawn from the relevant tables to show that the extent of leasing in from the external agencies, *i.e.*, from the urban households and non-household institutions together, constitute only 0.96 per cent (0.57 + 0.39) as against the total percentage of leased in, *i.e.*, 7.47 per cent in 1981-82. In other words, the principal lessors are not the external agencies but the rural households either from within the sample village or outside the sample village. There is no reason to reject this direct evidence based on information collected from the rural lessees, who are adequately covered in the NSS rural sample, in favour of Swamy's purely hypothetical assumption of 'the external agencies being the principal lessors'. Therefore, I reiterate that Swamy's interpretation of a difference between leased-in and leased-out land as 'external tenancy' has no empirical justification. The difference can be explained only in terms of under-reporting or concealment of tenancy by the lessors. That is to say, leased-out area provided by the NSS tables on land holdings suffers from significant negative bias. In one of my recent studies (Sawant, 1991), I have shown that the degree of this bias varies substantially over the states. My conjecture is that it must be non-uniform over the size classes, too. Reliability of the inferences drawn from the size classwise analyses of the leased-out area, therefore, appears to be doubtful.

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