

# Plantation Agriculture: Development, Dependency and Social Change

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**Abstract**—The Plantation economy which today dominates the economies of many developing countries often regarded as a product of colonialism. Despite of its earning capacity, it is subjected to several criticism. The paper seeks to give a historical account of the emergence of plantation economy in different parts of the world and tries to assess its role in the development of the areas which are dominated by plantation economy. While doing so the paper would definitely look into the features of plantation economy and the changes the plantation economy inflicts to a particular area after its inception.

**Keywords:** Plantation, Development, Society

## I. INTRODUCTION

The emergence of plantation agriculture sector in different parts of the world has contributed to its economy, yet plantations it is subjected to wide range of criticism. Plantation economy which today dominates the economies of many developing countries, mostly erstwhile colonies, historically has been recognized as a product of colonialism or an outgrowth of political colonization of the tropical areas by metropolitan countries of Europe. Despite being severely criticized for its historical role in perpetuating asymmetrical structures between the developed and the developing countries, plantation economy not only refuses to go away, but one observes a strong tendency in recent times in the developing societies is the emergence of new forms of plantations and various other cash crop cultivations at the expense of traditional crop posing serious possibilities of food insecurity. Thus, it is very significant to understood plantation in a world-frame of reference, both historically and geographically but not as an economically isolated phenomenon in a certain part of the world be it the sugar plantations in Java, the tobacco plantations in East Sumatra, the coffee plantations in Brazil, the oil palm plantations in Malaysia or tea plantations in India. Plantations all over the world has some specificities in relation to land, labour and scale of production etc. which even brought a certain homogeneity or uniform changes in the social and economic sphere of the respective plantation economies. For the expansion of the plantations new land rules were formulated, different system of labour recruitment were followed which in turn changed the existing social relations and the social composition of the area concerned. Therefore this paper intends to give a historical overview of the plantations and its expansion in different parts of the world vis a vis North-East India and tries to comprehend the dynamics of development, dependence and underdevelopment in plantation economies and the socio-economic consequences of the expansion of plantation economy.

## II. CONCEPTUALISING PLANTATION

Plantation in common parlance can be regarded as a cultivation of any crop in large scale by employing a labour force, particularly for the purpose of export. Plantations are defined in various ways.

There is considerable number of literature on plantations from different parts of the world which bring out the various aspects and dimensions of the plantation economy in a comprehensive manner. In the *International Encyclopedia of Social Sciences*, W.O Jones writes:

A plantation is an economic unit producing agricultural commodities (field crops or horticultural products, but not livestock) for sale and employing a relatively large number of unskilled labourers whose activities are closely supervised. Plantations usually employ a year round labour crew of some size, and they usually specialize in the production of only one or two marketable products. They differ from other kinds of farms in the way in which the factors of production, primarily management and labour are combined (Jones 1968,p 154).

The International Labour Organisation comments that '(P)lantation' at first referred to a group of settlers, or the political unit formed by it, under British Colonialism especially in North America and in the West Indies (Bhowmik 1981,p10).

Thompson defines plantation as a political organization of the frontier existing for the purpose of securing co-operative and unified action among people of diverse races or cultures in the production of an agricultural staple which usually is sold on a world-market. The history of plantation begins with the migrant stranger who become a planter where there are undeveloped agricultural resources, where there is or can be created a market and in which profit will be realized (Thompson 1935). The Plantation Labour Act<sup>1</sup> of India defines plantation as “a piece of land of five hectares or more which is used for growing tea, coffee, cinchona or cardamom and on which fifteen or more persons are employed for a minimum of one day during the preceding years.”

Most of these definitions remain restricted to the listing of some distinguishing features related to land, labour, production scale, export oriented motive which are very common to plantations all over the world. Bhowmik, however, argues that a sociological definition of plantation cannot be restricted to listing of all above mentioned characteristics. He has considered these definitions of plantation system as description for undermining two essential aspects which are important for understanding production relations: the emergence of prevalent production relations and the plantation as a part of the wider social system. Bhowmik has considered Eric wolf’s approach to be a broader one as he has pointed out that the establishment of plantations always destroys the antecedent cultural norms of the area concerned and stating that plantation “is also an instrument of force wielded to create and to maintain a class-structure of workers and owners, connected hierarchically by a staff line or overseers and managers” (Bhowmik 1981, p11).

According to Bhowmik, a change in social system will cause change in the existing production relations (Bhowmik 1981, p 11-13). He considers the cases of India and Cuba. In Cuba, after the 1959 revolution the existing socio-economic system changed. Before 1959, Cuban sugar plantations had all the inherent features of a plantation such as coercion, low wage, and exploitation. But when the ownership of plantations passed from the private owner into the hands of the state, a change occurred in its inherent features. Even in India, though it began with the same characteristics of plantations, changes took place after independence. Plantations are actually product of colonialism and their main function is to supply raw materials to the mother countries. After achieving independence from colonialism, a new set of relations emerged in the plantations (Ibid).

However, this view seems to be somewhat optimistic about the conditions prevailing in the plantations in India. A certain kind of coercion is still alive in the plantation system. Most of the tea plantations in India, for example, are carrying the old colonial legacy. The condition of tea garden labourers is not yet satisfactory in terms of their health, education, etc. Despite the PLA and the emergence of a large number of trade unions, there is not much improvement in their socio-economic conditions and they are made to live under a strongly regimented system. These factors stand in their way to move to other sectors for livelihood.

Beckford holds that, plantation is one of those classes of institutions that pattern the relationship of people to the land and largely determine how people shall live on the land and with one another. Citing Thomson’s contention that “the plantation is a settlement institution”, Beckford argues that as a settlement institution the plantations have been the means of bringing together enterprise, capital and labour from various parts of the world into a new location where land was available to combine with these for the production of a particular staple and control was vested in the institution (Beckford 1999, p8). Bernard O’Binns defines plantation as a “large centrally operated estate which is usually monoculture and is operated by hired workers” (as cited in Devi1955,p 2). R.T Smith applied Goffman’s concept of “total institution” to plantation society and defines it as “bureaucratically organized system in which whole blocks of people are treated as units and are marched through a set of regimentation under the surveillance of the small supervisory staff” (Smith 1961, p 230).

Plantations, which is considered as the product of colonialism is often referred to as enclave economy. Graham and Floering have considered all plantations as enclave. They view that plantations are areas of agricultural activity closely circumscribed with a life and a society of their own, alien and inward looking and cut off from all links with surrounding people and economy and usually with the political system outside. This has arisen, it is alleged, because plantations were set up to produce export crops for the metropolis by people and capital which come from the metropolis (Graham and Floering 1984, p 33-35).

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<sup>1</sup> Plantation Labour Act was enacted on 2<sup>nd</sup> November 1951 in India to redress the various grievances faced by the workers in plantation sector and for assuring to the workers reasonable amenities. This is an act to provide for the welfare of labour and to regulate the conditions of work in plantations.

If we look into the history of its development, it shows that most of the plantations have been established in the sparsely populated area due to the availability of land. Labourers were also hired for the purpose of plantation and were given housing facilities and incorporated into a new form of society, the pattern of which was dictated by the management of the plantation and designed solely to suit the needs of the plantations. They live in segregated dwellings and spent their money on goods which were imported by the management and sold to the workers through retail outlets on the estate (Graham and Floering 1984).

The workers hardly share any kind of relationship with the people of the surrounding areas. The management tries to maintain the social, economic as well as political segregation of the workers in order to maintain their dominance over the workers. Therefore, the plantation has been regarded as enclave economy. It goes in a different direction from the rest of the society.

### **III. CHARACTERISTIC FEATURES OF PLANTATIONS AND PLANTATION ECONOMY**

Plantations all over the world have some specificity in relation to land, labour, scale of production, etc. which even brought about certain homogenous or uniform changes in the social and economic spheres of the respective plantation economies. For the expansion of the plantations new land rules were formulated and different systems of labour recruitment were followed. They in turn changed the existing social planters, large scale immigration of labour, lack of accessibility of local people to the land, and etc. are some inevitable facts of plantation economy.

#### **III.I. CHANGES IN DEMOGRAPHY**

Land, labour and capital are three important prerequisites for plantations. In order to fulfill the extensive land requirement, most of the countries of Europe established their plantations in the sparsely populated tropical lowlands where original inhabitants practiced shifting cultivation and in most of the cases the indigenous people were unwilling to work in the plantations. As a result, the plantations are bound to depend on the huge force of immigrant labour of different ethnic and cultural origins. This ultimately led to the emergence of plural societies in plantation economies for which from the very beginning plantations began as a unit of authority with control over all aspects of the lives of people within its territory (Beckford 1999, p 9). The most common system for recruitment was slavery and indentured labour which resulted in the legacy of societies of transplanted peoples. Therefore, plantation always influenced the racial and sex composition of the population, the social structure, and every other aspect of social organization (Ibid, p37). The migratory movement, however, not only led to a rapid population increase but also contributed to the subsequent ethnic difficulties of the plantation societies.

#### **III.II. OPPRESSIVE METHODS OF LABOUR RECRUITMENT**

Labour and land problems have been inherently connected to the history of plantations. The failure of the efforts to employ native communities on the plantations results in a judgment that the natives are “lazy, worthless and unreliable”. The planter’s characteristic solution to the problem of the “lazy native”, who will neither work nor trade, by transporting or importing labourers from other parts of the world begins another stage in the history plantation (Thompson 1935, p 322-323). In order to solve the labour problem, planters introduced different methods of recruitments.

The harsh methods of employing labour were very common in almost every plantation irrespective of its type such as rubber, tea, coffee, etc. which were established by the colonizers. Initially it depended on slavery, after its abolition in 1834 indentured method was used. Here we can cite the case of rubber plantations of Congo in Africa. In 1897, Stanley, an agent of Belgian capitalism, discovered rubber trees in the heart of Africa, the Congo. The Congo Basin was covered with rubber trees (Cohen 1979, p 23-26).

As soon as rubber was discovered, the Belgian capitalists arrived in this sparsely populated area and land was expropriated by different tactics. As the blacks were not interested in becoming the white expropriators’ slaves, the Belgian imperialist introduced forced labour in the earliest days of the “civilizing activity” in the form of tax in kind levied on the black population. It was the duty of each Africans to supply a company with a certain kilogram of rubber which ultimately forced them to gather rubber in the jungles. The fixing of the level of this tax was the duty of the company agents, who receives bonus for delivering extra rubber. In case the slaves failed to gather his or her quota, the whole village was burnt and every villager was beaten up. For such reasons the blacks had adopted the saying “Rubber is death” (Cohen 1979, p23-26). To quote from the private letter of one officer:

We whites have to close our eyes to avoid the sight of horrifying corpses, those who curse us as they die, the wounded begging for mercy, the crying women and starving children. We have to block our ears to silence the groans, sobbing and curses from every bush and inch of land (Cohen 1979, p23).

The condition of plantation labour was almost similar in other parts of the world. In India, the planters were employing different methods for recruiting labourers like indenture system, free contractor system, licensed contractor system, etc. (Kumar 2006, p 36-51). Till 1920, the planters were getting labourers with the help of indentured inland emigration which is often known as semi-slavery or camouflaged slavery. However, unlike slavery this system was for a limited period, not lifelong. Under this system, contract was made for a certain time period at low price and food and clothing were provided at a fixed scale. In the last four decades of the 19<sup>th</sup> century and for more than a decade of the 20<sup>th</sup> century, British capital dominated this system in the West Indies and North-East India (Jha 1996, 14). During the period from 1840-1863, the number of estate was only 46 in the North East Indian State of Assam largely because of unwillingness of the local people to work as labourers in the plantations. The disappointed planters formed their own association for recruiting labourers (called 'coolies'). They used to send their own men to different places to recruit labourers and the agent receives 8 *annas* per head. The planters' association continued with this process of recruitment even after the expansion of tea plantation. Bulk of these labourers was from the tribal communities of the Chotanagpur region of the colonial Bengal province. They were brought to Calcutta by land and from there brought to the plantations of Assam by river ways in ferries under subhuman conditions. Later on, the responsibility of supplying labourers was placed on the contractors. These contractors were concerned only with the commission they earned for supplying the coolies but not with the plight of the 'coolies'. A civil surgeon of the time describes the nature of this immoral business in the following words:

Mortality of coolies on the voyage up between 1861-1863 was caused by overcrowding, insufficient and improper food supplied on the voyage and total neglect of the coolies both as regard medical treatment and cleanliness. In those days the overcrowding was so excessive that many unfortunates were crushed overboard; there was no even standing space for them (Chatterjee and Das Gupta 1981).

Due to the inconveniences like insufficient cooking accommodation, delay in cooking, lack of sanitation facility and wet deck, the ferries became the suitable ground for cholera and other contaminated diseases. The rate of mortality was staggering: out of the 84,915 labourers who were imported between May 1863 and May 1866, almost 33,000 had died just within a span of less than 3 years (Chatterjee and Das Gupta 1981, 1863; Xaxa 1997, p114). The labourers were shipped like cattle. This harsh method of labour recruitments was one common feature of all plantation economies.

### III.III. CHANGES IN EXISTING LAND OWNERSHIP SYSTEM AND PEASANT CONFLICT

As land is an important pre-requisite for the establishment of plantations, it was being initiated in the sparsely populated areas. Though land was very much available in the initial stage, in due course of time, rapid expansion along with the rush for cash crop cultivation ultimately led to the scarcity of land. Thus in most of the plantation areas, land expropriation became one major step for the expansion of the plantation. According to M.C. Cleary "one of the most durable consequences of the development of plantation farming in the tropics was the establishment of varied systems of native land rights which allowed administering authorities, whether colonial or otherwise, to demarcate, alienate and sell land to investors" (Cleary 1992, p170).

The commencement of plantation always alters the existing land relations in the respective countries. Here we can refer to the case of British North Borneo, Sri Lanka and India.

In South-east Asia, the expansion of plantation occurred in the second half of 19<sup>th</sup> century. As plantation requires more capital investment than any other South Asian agriculture, in order to cover the cost of cleaning, planting and the construction of factories, the native enterprise was unable to provide adequate financing, even assuming an incentive to do so. Thus, the desire towards establishment of plantation originates from the west in response to western demands (Myrdal 1968, p443). The development of plantation agriculture required a priori the commodification of land. In order to attract the external capital for the success of the colonial enterprise in the Tropics, the land had to be legally defined, alienated and sold by the administering authority. This process of turning land into a commodity which could be freely bought and sold, and to which legal title could be shown, was a necessity, though not sufficient condition, for realizing the investment potential of newly-acquired territories. Availability of land is the prime factor for the success of plantation enterprise (Cleary 1992, p 170).

Therefore, the beginning of plantation always brought changes into the existing land rights of the particular country to make land easily accessible for the planters. For example, in pre-colonial Sri Lanka, land tenure was of a feudal type. The king

was the ultimate possessor of all lands and he farmed out his lands for different services. The state's revenue included a grain tax paid in kind and service. The king grants lands to the state officials as reward for their services and also to the Hindu as well as Buddhist temples in quite liberal terms. Such kind of practices ultimately leads to a kind of landlordism known as *ninda*<sup>2</sup> and monastic landlordism. The peasants who cultivate lands granted by the states were to pay tributes and perform gratuitous services on public works and such peasants had an obligation to cultivate fields set aside for King's need which is known as *rajakhariya*. This system continued even after the conquest of the island by the Dutch and Portuguese colonialists (Shanmugaratnam 1981, p69-80).

The agrarian economy of Sri Lanka underwent change only after the occupation of the whole island by the British during the early phase of 19<sup>th</sup> century along with the imposition of plantation system in the region. However, the inception of the plantation system did not totally change the existing mode of production. It is pertinent to mention that on the one hand there emerged new classes based on landed property and on the other side native agrarian economy deteriorated, which ultimately resulted in the disintegration of the peasantry characterized by increasingly exploitative forms of feudalist tenancy, disinvestment and landlessness. This in turn caused a degeneration of the productive forces of the native economy without replacing them with a new productive force. It was a moment of a social formation where time honoured traditions and practices of a society that acted as safeguard against mass pauperisation were withering away but without any substitution ; leaving the peasant masses who looked for a livelihood, at best, at the mercy of antediluvian forms of capital (Shanmugaratnam 1981, p70).

Land policies were formulated and used as an instrument to acquire monopolistic ownership rights over vast tract of fertile land all over the island. Shanmugaratnam views that "(T)he state took over the land in order to alienate it through sales and grants to create large privately owned estates producing primary commodities for export to European market. Land became a salable factor of production, taking a commodity form, and along with it a land market came into existence" (Shanmugaratnam 1981, p71). As a result, the common people lost free legal access to land due to the new land laws. A great majority of the peasantry did not have the purchasing power to enter the land market which was monopolized and manipulated by wealthy foreigners and natives. Therefore, the development of plantation in Sri Lanka had a negative effect on native economy especially on peasantry (Ibid, 72-80).

Due to the widespread expansion of the plantation, the peasantry ultimately lost their access to communal pasture and *chenna*<sup>3</sup> land. In due course of time, the increasing peasant population put more pressure on the land causing fragmentation which reached extremely uneconomic proportions. This atomization of land-holdings led to the obvious consequences of landlessness (Shanmugaratnam 1981, 75). The case of Borneo is more or less similar to the condition Sri Lanka. In pre-colonial Borneo, the sovereign right to the land rested with the sultan of Brunei. During that time, there prevailed two types of land rights – customary rights to land and shifting cultivation. After the formation of a British Chartered company in 1881 to rule the North Borneo, the company owned the right over the land. The first step was taken in 1883 to permit the alienation and sale of state land with the promulgation of the Land Code in North Borneo. All land in the territory was vested in the Chartered Company. A set of land regulation ultimately established land rights with an aim to demarcate all the land under 'customary' tenure (Cleary 1992).

The main reason behind this demarcation was to encourage the whole native population to register its right in land on an individual basis and, in return for title to pay an annual quit-rent. If in a three-year period land was left uncultivated and no quit-rent paid, the land reverted back to the state. In order to encourage land registration, a decision was also taken to impose an annual rent on shifting cultivation. All these changes were made in order make land available for tobacco and rubber plantation. The development of a plantation sector in the region was the most significant control on the elaboration and application of a Land Code which sought to 'regularize' land holding in order to facilitate land sales. The development of a system of land right allowed the administration to identify, demarcate and market land for sell to European investors and attract investors into the tobacco and rubber sector (Cleary 1992,170-181).

The alternation of land regulation for the expansion of plantation sector was very intense in other plantation economies like India which will be discussed in the next Chapter. As the problem of land and labour was intense in all the plantation

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<sup>2</sup> The ninda lords were high officials of the state.

<sup>3</sup> Land use for slash and burn shifting cultivation.

economies, the imposition of new tax and its enhancement etc. became the best means for solving their problems. The peasants were the worst sufferers, which in fact led to the conflict among the peasants and the plantations. The peasants generally affected by the plantations in at least two ways: competition for land and other resources and the provision of wage work on the plantations to supplement their income from the main pre-occupation of farming. But the peasants are reluctant to undertake wage work on plantations. Competition for resources is intense in certain countries where land is relatively of short supply (Beckford 1999). In most of the cases, peasant uprising took place due to the restriction in their expansion by the intrusion of plantations. Scholars have written extensively on such type of conflict.

Beckford, for example, cites Farmer's account of peasant uprising of Ceylon. Here peasant-plantation conflict appears to be harsh in Kandyan uplands. The main reason behind the conflict was that the presence of European tea plantation has restricted the expansion of the peasant villages and put limitation on peasants' access to land which become the ground of political conflict and tension (Beckford 1999, p 20). In every plantation dominating economy, peasants suffer due to their inaccessibility to land. If they had accessibility, it was not to the best quality land which has been under the occupation of the plantations. In the Basiland Island of Phillipines, the condition of the peasants is not good as they have great trouble in getting access to the good quality land in spite of assistance from the government's homesteading provisions because the best land has been already occupied by the plantations in both northern and southern portions. Conflict for land among the planters and the peasants has been a very common phenomenon in all plantation economy of the world (Ibid, p20).

According to Beckford, "the West Indies provides outstanding example of the peasant-plantation conflict". The problem seems to be prominent in the sugar Island of St Kitts, Antigua, Barbados and Jamaica. Plantations occupied the best land in St Kitts, Antigua, Barbados long before the emancipation of slaves in the 19<sup>th</sup> century so that peasantry hardly emerged. The abolition of slavery in the 19<sup>th</sup> century led to a movement of the ex-slaves away from the plantations in an attempt to establish an independent existence as far removed as possible from the brutalities of the slave plantation. They started small farms in the fringe areas of plantations. As plantations had captured bulk of the productive lands, in other territories little was available and in some areas only inaccessible and poor quality land was available. From the very beginning, the peasant production had to struggle with the previously established plantations for scarce resources (Beckford 1999, p 21-23).

The Jamaican peasantry had failed to secure agricultural land and other resources even after one hundred and thirty odd years of emancipation. What they have achieved is difficult to maintain due to the competition from plantations. Though government attempted to provide assistance to the peasants, incremental agricultural resources tend to flow towards plantation sector and the peasantry has been enforced to seek possibilities for advancement through migration or wage work on the plantations. Thus, the situation remains the same as it existed even after emancipation (Beckford 1999, p22).

Besides inaccessibility to land, their development is further limited by the influence of plantation on other resources like labour. Peasants face problems of labour scarcity because of the following reasons (i) the plantation provide secure employment than the individual farms, (ii) the more advanced technique of plantations lead to higher productivity which makes possible the payment of higher wage rate (iii) the relation between employee and employer are impersonal than the small peasants farms. As a result of these considerations, peasants have great difficulty in attracting hired labour unless they follow the pattern set by plantations (Beckford 1999, p26).

Erich Jacoby also argues that "plantations have always resulted in the social demotion of the indigenous cultivator to a landless worker who lives in complete social and economic dependence on the plantations and that plantations normally exercise excessive and adverse influence on land distribution and use-everywhere they occupy the best land and push peasants on to marginal hillsides in the process and consequence is almost always fragmentation and low living standard for the peasants" (Jacoby 1959). Therefore, it is evident that plantations always prevent the growth of peasantry due to its encroachment towards the most important resource that is land being aggravated by the capacity of plantation to attract labour from the agricultural sector.

#### **IV. PLANTATIONS, DEVELOPMENT AND UNDERDEVELOPMENT**

Plantation economy due to its colonial origin, export-oriented and mono-cultural character is subjected to a wide range of criticism despite its earning capacity. The existing literature the plantation agriculture makes it is apparent that there is difference in the opinions about the developmental potential of plantation agriculture. Some scholars are of the opinion that beginning of plantations like tea, coffee, rubber, etc. accelerates the process of development in the host countries. First of all, it served to open up previously inaccessible areas, and brought changes to the infrastructure by constructing railways, roads, electricity etc.

Tiffen and Mortimore's study highlights the potentialities of plantation agriculture. They view that plantations play their most positive role in the early stages of economic growth, when they provide an important source of foreign exchange and a taxable capacity, which can be used to build up general infrastructure and services. At this stage, there is likely to be under-utilised land and labour in the traditional agricultural sector (Tiffen and Mortimore 1990).

They view that this situation is long past in most developing countries. Population increase has caused the supply of uncultivated but fertile land to diminish. Indeed the current situation in most developing is the increasing in demand for a relatively fixed amount of land causing its price to rise steadily. Given the price and marketing situation, this may render a new plantation uneconomic. On the social side, the establishment or even the retention of a large estate may deprive a large number of families of the opportunity to own land which may be in fact balanced by the number of jobs created on the plantations and associated industries (Tiffen and Mortimore 1990, p132).

In addition, they regard plantation as stimulus to secondary and tertiary growth. The advantages of the estate form of production does not lie in economies of scale for agricultural operations, though these are important for processing plants, but in managerial efficiency combined with adequate capitalization. This can result in adequate research finding, the swift introduction of a new technology, responsiveness to market conditions, greater attention to product quality, maintenance of a replanting programme, and maximum use of land resource (Tiffen and Mortimore 1990, p132-140).

However, it is pertinent to mention here that benefit of all these facilities remained confined only to a small section of people. On the contrary a considerable number of scholars from dependency school like Gunder Frank, Samir Amin, Emmanuel Wallestrine discussed about the prevailing underdevelopment conditions of some countries from Third World where plantations dominates the agricultural sector. Gunder Frank (1969), contend that underdevelopment in the Third World is a direct result of the colonial structure of the world capitalist development. Further, he argues, that "(T)he pursuit of profits in Europe was the basis for the establishment of sugar plantations in Brazil's North East, which produced a single export crop, dependent on massive slavery, and caused the eventual economic decline of the region obstinate dependency on the mercantilist core" (Gunder Frank 1969). Northeastern Brazil was marginalized economically once sugar plantations were established in the West Indies, and ensuing competition pushed prices of sugar down (Ibid).

Beckford demonstrates how the capitalist and the international linkage of the plantation economy perpetually produce underdevelopment within the domestic economy of the plantation societies. He identifies the plantation structure as a primary cause of persistent underdevelopment for reasons like (i) it denies majority of people of plantation society a real stake in their country, (ii) the decisions regarding fundamental economic issues come from outside as the focus of decision making resides outside the plantation society so that a chronic dependency syndrome is characteristic of the whole population. For these considerations, the majority of people in a plantation society are not sufficiently motivated toward the developmental effort (Beckford 1999, p215).

Further, Beckford views that "the plantation system must be destroyed if the people of plantation society are to secure economic, social and political, and psychological advancement" (Beckford 1999, p215). He has categorized the obstacles that derive from plantation into economic, social and political. The economic obstacles are accordingly: (i) inequality in the distribution of wealth and income; (ii) foreign ownership of producing units that drains the supply of investible funds from the income stream; (iii) the export orientation of plantation production that results in accumulation of backwash effect from terms of trade adjustments; (iv) the multinational character of investment allocation by metropolitan enterprise that further reduces the flow of investible funds, etc. The major social and political obstacles to development that are directly attributable to the influence of plantations include (i) weak community structure and loose family organization that prevent the emergence of viable local and regional units of administration and control thereby making it difficult to raise local tax and to execute developmental projects; (ii) a rigid social structure that inhibits factor mobility; (iii) excessive power of the planter and associated classes that is exercised more in interest of the small dominant class than that of the society as a whole; (iv) an exploitative authoritarian tradition that prevents co-operative decision making and associative productive effort. However, most of these obstacles have not been recognized by the policy makers in plantation society (Ibid, p216).

Gunnar Myrdal views that the development of plantation was in effect a process of industrialization and the spread of plantation culture must be viewed as a spread of industrialized agriculture. He pointed out to the difference that exists between traditional crops and plantation crop. To quote Myrdal,

The labour requirement in plantation is very high in comparison to the agriculture, the introduction of plantation crops raised the maximum population that a given territory could support. The higher

income generated could be used to import food or to induce more local food production to support an increased population. So the region where plantation culture developed entered the realm of international or interregional trade in response to comparative advantage (Myrdal 1968, p 445-453).

But this has failed to generate an all-round economic growth as somewhat similar development did in Western Europe. The great difference between the growth of industrialized agriculture in our region and Western Europe is that in the latter the spread effect was very strong; it was very weak and almost non-existent in the former due to the existence of enclave economy. The expansion of peasant growing of cash crop undoubtedly meant an increase in monetization. Unfortunately in case of India, a large amount of money used up in paying the new taxes imposed by the British authorities and the rise of peasant cash crop production was at the expense of the food output. He has quoted Daniel and Alice Thorner in support of this contention as they argued that in India food crops declined between 1893-94 and 1954-36 while commercial crop production increased; the resulting increase in total crop production was hardly sufficient to keep pace with population growth. In Netherlands, government policy sought to restrict peasants' cultivation of cash crop by forbidding the sugar refineries to buy from native growers and imposing a discriminatory tax on rubber produced by small holders which confined the activities of the holders mainly to traditional lines (Ibid, p448-449). Myrdal writes:

The development of plantation was initiated and controlled by the foreigners. Managerial functions and ultimate control were in the hands of the aliens. Dividends and a large part of the salaries were remitted abroad or used to purchase foreign goods rather than stimulate demand on the local markets. The reinvested profits were used mainly to purchase capital equipment from abroad to the extent they were not spent on the labour needed to establish new plantations or enlarge and improve the old ones. Although expansion gave rise to a demand for local, it was for the most part a demand for unskilled labour: more highly skilled workers were brought in from outside (Ibid).

Myrdal echoing the views of Benjamin Higgins and others contends that the plantations in our country spurred the industrialization of the western countries and starved ours. The plantations were in effect extension of the metropolitan countries; much of the management, finance, distribution and processing was a part of London and Amsterdam (cited in Ghosh 1987, p221). He points out another aspect of the plantation economy, i.e., segregation and discrimination. The European ownership and control in these meant a wide separation between the European upper class and the masses of unskilled workers (Myrdal 1968, p450).

Again, Levin (1960) defines plantation as "export economy". He viewed that plantations are not only owned and managed by an enclave group of foreigners, but export all their produce to a limited markets and buy all their capital goods abroad. In addition, spent all their money on luxury goods purchased abroad or invest it in outside the nation. Because of the nature of the foreign linkages of this economy, effects are not felt within the nation in terms of growth of the larger domestic economy (Ibid p1960).

The plantation economy's inherent dependency character is evident from the case of henequen industry of Yucatan State of Mexico. Yoder discusses how henequen was very popular in Yucatan for its usefulness. In the early 19<sup>th</sup> century, twine, hammocks, sacks and rope were manufactured and exported from Yucatan. However, in the second half of the 19<sup>th</sup> century, the Yucatecan henequen boom was driven by the rapidly increasing demand for low-cost fiber in North America. This period experienced a shift in exports, from handmade henequen products to the raw fiber itself. Thus, by 1900 the region was transformed from a realm of artisan manufacturing and subsistence agriculture to a producer of a single primary product (Yoder 1993).

The boom during the second half of the 19<sup>th</sup> century has benefitted both the business elites of Merida, the capital city of Yucatan, and entrepreneurs in the United States. Initially the industry was entirely Yucatan in terms of capital, processing equipment, and management. Ownership of the henequen plantations remained firmly in the hands of Yucatecan elites. However, the expansion of production and exports necessitated the need for foreign capital. "Astute businessmen" from Merida acted as brokers, obtaining capital from the United States and exporting the fiber through brokerage houses. In collaboration with these businessmen of Merida, North American cordage interests began exerting influence over the Yucatecan henequen industry. Money was lent by North Americans to Yucatecans, and liens were held on the fiber. Such kind of arrangements ultimately helped the United States not only to influence but to control fiber supplies and prices (Yoder 1993).

It is pertinent to mention here that though during initial period it boomed and could bring prosperity to the region by 1910; Yucatecan and its henequen industry become a classic case of its dependency. This dependency operated within different



spheres. Foreign capital continued its penetration, binding the region ever more tightly to the world cordage fiber trade. The Yucatecan landscape had been effectively transformed into a zone of extensive holdings of a crop requiring six or seven years to mature, and a productive life nearly of 25 years or more. The disappearance of maize and bean production from the landscape forced Yucatan peasants to earn henequen wages for survival (Brockway, 1979, p172).

The appetite for profits of Yucatecan and North American entrepreneurs solidified this system of dependency, which, despite the revolution and related agrarian reform programs, has remained in place up to the present. The dependency of Yucatan and its henequen industry in the years leading up to the revolution was not strictly foreign in nature, nor was it strictly an economic reliance on a national metropolis. This dependency was the result of a combination of internal social relations and the external collaboration of Yucatecan elites. As the Yucatecan economy became absorbed more deeply into the global capitalist system, the existing debt-peonage configuration tightened. The internal patterns of dependency deepened and existing class relations worsened as a result of the region's participation in the global system of capitalism (Yoder 1993, p326-327).

Besides the inferior quality of Yucatecan henequen and the availability of superior fiber from other sources later on had a greater impact on the Yucatecan economic decline. Despite the dominance of hard fiber production by Tanzania and Brazil, and the increasing worldwide usage of synthetic fibers, Yucatan remains heavily dependent upon henequen, a crop which continues to dominate the landscape. This dependency is attributable to the collaboration, which began a century ago, between Yucatecan elites and entrepreneurs of the world's capitalist core. The Yucatecan rural landscape is in need of diversification, considering the global decline in raw fiber demand. Alternative agricultural activities, however, would be difficult in Yucatan, because once planted, agave fiber plants become 'fixed' capital in the landscape. They are difficult to eradicate even if a land use change is sought. This phenomenon is but another aspect of the region's resistance to change and continued dependency (Yoder 1993, p335-336).

It is evident from the above discussion that the role of plantations in the development of a country is not always positive. Though some scholars have argued that it helps in opening up of remote places, in fact rather than accentuating the growth process of the host country it perpetuates a dependency character on that particular country where plantation occupies a dominant position.

Therefore, other scholars have argued for a balance between plantations and food crop production for the development of a region. Lewis Arthur emphasizes the significance of agriculture in underdeveloped countries as foreign exchange earner. He contends:

The extent to which the underdeveloped countries benefit from improvements in productivity in export production depends on the relationship of export production to food production in the underdeveloped countries on one hand, and on the relationship production of manufactures and food in the advanced countries on the other. If productivity in food and manufactures in the advanced countries remain constant and if only change in underdeveloped countries is an increase in productivity in export production, then the relative price of exports will fall, which would be beneficial to the advanced countries. If the underdeveloped countries rely on imports of manufactures from the advanced countries, then the underdeveloped countries will secure favorable terms of trade effects only when productivity in manufactures in the advanced countries rises faster than that in food production in those countries and export and food production in the underdeveloped countries (Beckford 1999, 193).

It is very well known that plantations always result in mono-cropping of cash crops. This ultimately leads to dependency as well as food insecurity. According to Beckford, "the heavy capitalization and crop specificity of investments expose plantation enterprises to an inherently high degree of risk and uncertainty particularly in respect of crop losses from natural or other causes and of price fluctuations" (Ibid, p164).

Coming to the context of India, economist Ravi Raman has shown how biasness towards cash crops results in decrease in the proportion of area under food crops and the consequent increase in external dependence with the examples of Malwar and Nilgiri. Area under food crops in Nilgiri and Malwar declined from 39% and 75% in the early 1890s to 21% and 60% respectively in the late 1930s; the ultimate result was a shortage of food grains and dependence on external sources. Though Malabar was the second largest producer of rice in the Madras Presidency, next only to the Thanjavur, it ultimately became a net importer of paddy from the mid19<sup>th</sup> century (Raman 2010, p29).

Uma Devi after studying the case of Travancore argued that production of subsistence crop is secured than cash crops. Prior to the introduction of plantation crops in Travancore, cultivation of paddy was the center of all economic activities and production was mainly for consumption. Thus like cash crop production there is no scope of instability in case of fluctuation in demand. The scenario in Travancore has been changed after the beginning of the plantation agriculture. Once, a net exporter of rice had turned into a net importer of the same by the last quarter of the 19<sup>th</sup> century (Devi 1989, p9). Some other consequences of the expansion of plantations in Travancore were deforestation, decline in livestock, low standard of living, etc. Uma Devi argues:

Decline in livestock population in Travancore during the period under consideration due to the non-availability of: a) grazing lands consequent to the expansion of plantations on waste lands and enclosure of common grazing lands after the creation of title to land b) fodder due to decline in area under paddy. The decline of livestock population meant that the supply of major forms of protein food meat and milk got reduced (Ibid, p 156).

In most of the cases, the expansion of plantation agriculture becomes the cause of underdevelopment. Virginius Xaxa has discussed how the penetration of plantation agriculture has turned out to be a bane rather than a boon for the people of North Bengal in the state of West Bengal. The area is still continuing with some elements of underdevelopment which are absent in other parts of the state. The natural factors are not responsible for such condition. Xaxa argues that rather than the natural factors, the structural changes brought by the penetration of the capitalistic plantation agriculture are responsible for the state of underdevelopment in North Bengal. He has discussed about the process how the local people have lost access to land and forest products. Besides he has pointed towards some factors which prohibit the development of a place with the onset of plantation economy and the resultant adverse effect it has on non-plantation sector (Xaxa 1985).

However, the beginning of tea plantation in North Bengal during the colonial period developed the communication system of the area and led to the growth of township and market thus creating an avenue for the peasants to dispose their goods. But the development of plantation failed to contribute significantly towards the subsistence sector so that it could reach the take-off stage. The main reasons for this were as follows: there was a system of supplying subsidized consumer goods such as rice, cereals, mustard and kerosene oil, salt, jaggery, etc. to the plantation labour. Supplies of clothing like dhoti, sari and blanket, etc. were given on arrival in the estate besides free health and medical care, housing and fuel facilities during their stay in the estate. This practice ultimately minimized the dependence of the vast number of consumers on the local market. At the same time, the plantation estates hardly procured these commodities from the district or its neighborhood. On the contrary, they were purchased from the big trading companies that obtained these largely from the southern parts of Bengal province or even from other provinces (Xaxa 1985).

Secondly, the most depressing factor to the local market was the low and stagnant wage rate of labourers in the tea estates. The structure of the wage was in fact so low that the wage of an individual was hardly sufficient to maintain himself and his family. What therefore evolved as an alternative was the exploitation of family labour in tea plantation estates of north-east India. Again, not only was the wage low but it was so stagnant that only by the exploitation of family labour in and outside the plantation farm was the reproduction of labour force necessary to work in the estate made possible. In this context, it may be observed that the wage structure introduced around 1891 had remained intact till almost independence. The plantation estates thus kept the labourers contented with the lowest possible wage even though there was a steady rise in the price of food grains and other commodities throughout the district (Xaxa 1985).

In addition, the plantation estates usually possessed more land than was actually brought under the cultivation of tea. A bulk of this surplus land was customarily parceled out into small plots to be distributed among the labourers as free grant for personal cultivation of the subsistence crops. The cultivation in these free grant lands, undertaken normally with the help of family and occasionally exchange of family labour, was invariably carried out outside the normal routine work of the estate. The stagnant low wage on the one hand and the rising prices of food grains on the other was thus compensated by the production of food crops by the labour households within the plantation setting. Such an arrangement acted not only as a compensatory feeling for the loss of land in his native place for the plantation labour, but also as a basis to tie him down to the plantation estates and supplement the low wage paid to him by further exploitation of his and his family's labour (Xaxa 1985).

Thus for the continuation of plantation production, essential support was required from the subsistence sector which comprised elements of the traditional economy conserved and reconstructed by colonial capital. This was most clearly seen in the absolute cheapness of colonial labour as it arose from the supplementary support for the labour force provided by the subsistence sector

within the plantation setting. The result was that the arrangement turned out to be instrumental in further minimizing the dependence of labour on the local market. Though the planters and the clerks have their purchasing power, their small size could not open up the market potential in the region (Xaxa 1985). Thus, benefits of the plantation economy for the peasants of subsistence sector were meager. Finally, the growth of the local market was also hindered due to the very nature of the labour force in the tea estates. As mentioned earlier, the plantation labour force was predominantly of tribal origin and was hence accustomed to simple and bare living (Ibid).

Xaxa has also pointed towards the issue of limited capital formation in the plantation economy which is very negligible except the class of owners and managers. In the plantations of north Bengal, the Marwari traders and the Bengali clerks and supervisors (*babus*) earned a significant amount which they have invested either on expansion of their business or on buying land. Though the labourers spent a portion of their low income for buying land in the neighboring subsistence sector, major part of their income went to their native place. The income of the managerial staff was very high in comparison to the labourers and staff but it did not come to the circulation to initiate the development process outside the plantation. As the owners and the managerial staff of the tea plantations during the colonial times and even after that were foreigners, the profit earned by the sector drained out to invest elsewhere. In this way, surplus was expropriated from the area which hindered the growth of the region.

## V. CONCLUSION

It has been observed that though the colonizers introduced plantations in different parts of the globe, it failed to bring about development in those areas. As a result, plantation economies remained backward vis-à-vis other parts of the world. It has helped the colonizers to exploit the resources of the colonial plantation societies, but could not bring prosperity to its common people. Due to the expansion of plantations, the commoners suffered from problems like scarcity of land, coercion, discriminatory policy of land holding, heavy burden of tax, etc.

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