

# Access to Land and Poverty Reduction in South Asia

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## **1. Introduction**

During the latter half of the 20<sup>th</sup> Century, pro-poor land policy had been regarded as an integral component of economic and social development, in the South Asian region. However the issue has declined in prominence in recent years. This paper will argue for reengagement with a pro-poor land policy on the part of governments, development organizations, and civil society in South Asia.<sup>1</sup> Moreover, it will attempt to show that while the traditional land reforms debate might be a useful starting point for this reengagement, it is both possible and necessary to move beyond that debate. The current lack of policy interest in traditional land reforms does not imply that there is no further need or scope for a pro-poor land policy.

This paper provides an overview of issues in access to land and poverty reduction in the three largest countries of the South Asian region based on detailed country papers prepared by Abul Barkat (on Bangladesh), Ravi Srivastava (on India) and Haris

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<sup>1</sup> South Asia commonly refers to the contiguous countries forming part of the South Asian Association for Regional Cooperation (SAARC). This organization has seven members: Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. Some classifications also include Afghanistan and Myanmar though these countries are not members of SAARC.

Gazdar (on Pakistan).<sup>2</sup> The main aims of this study were to report on current and emerging challenges in poor people's access to land and agricultural livelihoods, and to identify new directions of policy thinking and action. The three country papers provide details of access to land issues as well as policy options for their respective countries. This overview paper attempts to draw together lessons for the region as a whole on the basis of a comparison of the experience of the three countries.

Between them, Bangladesh, India and Pakistan account for over 1.3 billion people, and over two-fifths of the world's poor.<sup>3</sup> The head-count ratio of rural poverty was the highest in Bangladesh (40 per cent), followed by India (37 per cent), and the lowest in Pakistan (32 per cent).<sup>4</sup> The agricultural sector remained the largest employer in all three countries, and also the sector in which the largest concentration of the rural poor were to be found.

There are good reasons to approach access to land issues within a regional and cross-country context, even if the region in question is as vast and varied as South Asia.

First, much of the international development policy discussion on land issues tends to be organized around regional clusters of countries.<sup>5</sup> <sup>6</sup> Region-based studies are able to capture more of the local variation in land issues than global generalizations.

Second, the South Asian region in general, and three case countries in particular, share many aspects of their institutional history in the development of land policy and property rights in land. Modern institutions of property rights in land were developed in the three countries when they were all part of a unified British Indian state. In the immediate post-British period there were apparently similar land reform programmes across the region. At the same time, however, there are sufficiently large variations between (as well as within) the three countries to enable interesting comparative analysis.

Third, all three countries have been engaged explicitly with poverty-reduction programmes in the recent period. While Bangladesh and Pakistan have both initiated

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<sup>2</sup> The regional review draws almost exclusively upon the three country papers for its material. For detailed arguments and sources the reader should refer to individual country papers.

<sup>3</sup> World Bank (2003), World Development Indicators 2003 (Washington DC: The World Bank): poverty is measured here in terms of the US \$1 per person a day poverty line.

<sup>4</sup> Human Development in South Asia 2002: Agriculture and Rural Development, (Mahbub ul Haq Human Development Centre, and Oxford University Press), using World Bank sources, based on the application of a US \$1 a day/per person poverty line to household survey data for the late 1990s from each country.

<sup>5</sup> See, for example, Klaus Deininger (2003), Land Policies for Growth and Poverty Reduction, (World Bank and Oxford University Press) for an important recent contribution that used four regional groupings: Central and Eastern Europe, Africa and Middle East, Latin America and the Caribbean, and Asia. It is anticipated that the work done for the present paper will provide a South Asian contribution to comparable studies on innovative approaches to pro-poor access to land in Latin America and Southern Africa.

<sup>6</sup> From the late 1990's, DFID organised work on land tenure and policy in sub-Saharan Africa on a regional basis. This has since fed into and added value to DFID's bilateral programming to address land issues on country basis in eight different countries in the region, as well as contributing to debate and more harmonised programming on land by donors more widely. Toulmin and Quan (2000) *Evolving land rights, tenure and policies in sub-Saharan Africa* (IIED, NRI and DFID) provides an overview of the land issues in that.

the Poverty Reduction Strategy processes, India's Five Year Plan is regarded as a national programme for poverty reduction.<sup>7</sup> These poverty-reduction programmes offer the potential mechanism for reengagement with pro-poor land policy. While traditional land reforms appear to have lost their relevance and appeal in all three countries, there is greater openness among policy-makers and other development agents to innovative approaches to access to land, and to considering the place of land assets in poverty reduction strategies.

It needs to be noted from the outset, that the regional review is "strategic" rather than comprehensive. The subject is potentially very vast and a comprehensive treatment is beyond the remit of this study, although the three country papers do provide more detail on each country. What the study as a whole can reasonably hope to do is to provide an overview of current and emerging issues, as well as areas of future policy-making.

A comparative discussion of land issues in the three countries needs to note, at the outset, some of the differences between them in terms of their agricultural endowments and productivity. The availability of land, measured in terms of the average area per agricultural worker (land-labour ratio) showed wide variation. Bangladesh with 0.22 hectares per worker had the lowest land-labour ratio. India's land-labour ratio was nearly three times as high (0.61) and Pakistan's was nearly four times higher (0.81). The productivity of land, measured in terms of the value of agricultural output per hectare was the highest in Bangladesh at \$831, and significantly lower in India (\$515) and Pakistan (\$505).<sup>8</sup>

A related qualification that needs to be stated is the relative size of India compared to the other two countries in the study. In terms of both population as well as land area, India is several times bigger than the other two countries taken together, and there are important inter-state differences in terms of the agrarian economy and land policy within that country. This review will only be able to make passing references to intra-country variations.

**To outline** this paper: the next section (Section 2) provides a brief summary of the traditional South Asian approach to land reforms. Section 3 reviews recent evidence on the continued relevance of land distribution to poverty reduction in the three countries. Section 4, presents an institutional overview of issues in access to land, considering the functioning of land markets and other arrangements, and social dimensions of access to land. Section 5 reviews the treatment of access to land issues in current anti-poverty strategies. Section 6 provides the conclusions of the regional review with a particular focus on potential areas of innovation and change for a pro-poor land policy. Recommendations for policy and future research are offered in Section 7.

## **2. South Asian land reforms**

### **2.1 Setting the parameters for land policy**

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<sup>7</sup> The 10<sup>th</sup> Five-Year Plan was instituted in 2002, and preparations for the 11<sup>th</sup> are already underway.

<sup>8</sup> Human Development in South Asia 2002.

Post-colonial land reforms serve as a useful point of departure for an understanding of institutional issues in access to land in the three countries. These countries inherited their land systems from British India in which property rights in land had been institutionalised through a century-long period of colonization and consolidation. The land systems of British India were outcomes of the different land revenue collection systems in the various regions.

By the late 1940s there were three main types of revenue “settlements” in British India: Zamindari, Ryotwari and Mahalwari. The Zamindari system prevailed over much of eastern and north-central plains of India. This system recognized multiple layered claims to land, with the *zamindar* at the apex. State land revenue was “settled” with the *zamindar* who then enjoyed wide discretionary powers to collect dues from cultivators and tenants. The Ryotwari system was common in southern and western India and was based on the recognition of individual cultivators or *ryots* as the revenue-payers. While this system formally vested land ownership with the state, the rights of the *ryot* were, in effect, quite similar to private property rights in land. The Mahalwari system predominated the north-western Indian plains – notably Punjab – and in this system the village body or *mahal* was jointly liable for land revenue. While land ownership was jointly vested in the *mahal*, separate interests of individual families were recorded in the *mahal* register. The *mahal* also incorporated the entitlements of other parties such as tenant-cultivators who did not have direct revenue liability and did not enjoy ownership rights. All these systems of land revenue coexisted alongside ad hoc concessions to various powerful individuals and families who were exempt from land revenue altogether – under titles such as *jageerdari* – and exercised relative autonomy in the arbitration of rights and claims on their estates.

In the post-colonial division of British India, the three countries inherited a range of land systems. In Bangladesh – then East Pakistan – the Zamindari system predominated. Independent India, of course, had remnants of all three main systems within its territory. Present-day Pakistan – or the province of West Pakistan as it was then – inherited two of the land systems: Mahalwari in Punjab and NWFP, and Ryotwari in Sindh.

Popular mobilization for agrarian change affected many regions of colonial India. There was also a strong association between agrarian movements and the political campaign for an end to British rule. It is not surprising, therefore, that land policy received a high priority in both India and Pakistan in the early years. The post-colonial governments in the two countries set certain parameters for dealing with agrarian inequality that were to have enduring consequences for land policy.

First, the nature of government intervention was to be reformist rather than revolutionary – the predominant approach was going to be administrative rather than political. Second, there was to be continuity from the colonial period in the system for the administration of land policy. This system had evolved from the land revenue bureaucracy and was vested at the provincial level of government. Third, the province (later state in India) rather than the central government was to be the critical player in policy-making and implementation. This was partly a matter of continuity from the colonial period, and partly a device for allowing inter-provincial variation in the agrarian economy and agrarian politics to take its course.

The two successor states to British India (India and Pakistan, and later Bangladesh) ended up adopting similar institutional approaches to land policy despite political differences on a number of other issues. These fundamental parameters laid the basis for the traditional South Asian land reform. While land policy evolved in different ways between the three countries as well as within them, depending on particular economic, political and institutional conditions, these were variations, in the first instance, within the overall framework of the traditional South Asian land reform.

## **2.2 Post-colonial land reforms**

Post-British land reforms in all three countries had three main components: (a) eradication of intermediary interests in land, (b) recognition of tenancy rights, and (c) land ceiling laws.

### ***2.2.1 Eradication of intermediary interests in land***

This first component of the reforms received high priority throughout the region. It is interesting to note that in the course of the political movement for independence the holders of land title (i.e. *zamindars* and *jageerdars*) became identified as “intermediaries” between the state and the cultivators who were accepted as the rightful possessors of land. Post-colonial governments saw the *jageerdars* and *zamindars* as vestiges of colonial patronage. These landlords were seen largely as a parasitic rentier class. Legislation for the abolition of the Zamindari system was quickly enacted in India and East Pakistan – where this system had been in operation.

The Zamindari system (as well *jageerdari* where it existed) was premised upon the existence of tenancy relations between the overlords (*zamindars* and *jageerdars*) and various classes of cultivators. Cultivators included those who exercised virtual ownership rights as well those who were tenants-at-will. The abolition of the Zamindari system removed the top layer of an often complex and multi-layered agrarian hierarchy, and usually resulted in the enfranchisement of the more powerful groups and individuals among the former cultivators. Moreover, the abolition of Zamindari had minimal implications for those segments of the agrarian economy that were not recognized as cultivators but worked as labourers. These latter were quite often the poorest and most social excluded groups.

### ***2.2.2 Tenancy reforms***

Alongside the abolition of intermediary interests there were laws for the formal recognition and protection of the rights of tenant cultivators. The general thrust of tenancy legislation was three-fold: to ensure more favourable contractual terms for tenants, to protect tenants from arbitrary eviction, and to enable tenants of long-standing to graduate to full property rights. While in some regions the need for tenancy laws arose directly from the abolition of Zamindari, there were strong impulses for tenancy reforms even in the non-Zamindari areas. The slogan associated with tenancy reforms was the same one that had served the anti-Zamindari politics: “land to the tiller”. The idea, once again, was that cultivators ought to be empowered vis-à-vis rentier landlords.

While the Zamindari abolition laws targeted all cultivators as potential beneficiaries, the target group of tenancy reforms were tenant-cultivators or a relatively poorer

segment of the agrarian population. These reforms too, in most places, excluded the poorest segments – namely labourers – by their very nature. Another feature in the implementation of tenancy reforms was the widespread use of evictions on the part of landlords. Owners who feared losing land to tenants of long-standing resumed their lands for self-cultivation thus pre-empting the tenants' claims under law.

These early land reforms were largely successful in all three South Asian countries in promoting the establishment of private property rights in land. Intermediary interests were successfully abolished, and even in those parts of the region where large size holdings remained, there were decisive moves towards modern systems of property rights. Features of tenancy reforms facilitated – in some cases perversely – to promote the establishment of unencumbered private property rights. In those places where tenancy reforms led to the transfer of ownership rights to the tenants this process was pro-poor. In other cases where tenants lost their claims through pre-emptive eviction the effect was regressive.

The reforms succeeded across the region in broadening the base of the land ownership pyramid, and thereby reducing inequality, with some impact on poverty.<sup>9</sup> This was seen as an important factor contributing to political stability. The main beneficiaries of the expanding base of ownership, while they were from among the poor, were not, generally speaking, from among the poorest. They were mostly those groups and classes who had previously enjoyed some level of access to land through sharecropping tenancy or other forms tenure. Part of the reason for this anomaly was that most land reform laws gave priority to those landless families who already had a prior interest in the land being redistributed. Generally, this interest was in the form of tenant farming under the Zamindari system.<sup>10</sup> Those who had been excluded from farming in the past were relatively distant claimants to rights under the early land reforms.

### ***2.2.3 Ceiling-based reforms***

The third main component of the traditional South Asian land reform was the institution of land redistribution through ownership ceilings. The first such laws were enacted in the 1950s and 1960s subsequent to the initial legislation on intermediary interests and tenancy. The Zamindari abolition laws had included implicit provisions for land ceilings – since they needed to specify the maximum permissible area that might be retained by the former *zamindar* as his self-cultivated land. The land ceiling laws represented a more systematic application of this principle. Land identified as being “ceiling-surplus” was taken over the government for redistribution to landless households.

There were differences across the region in both the criteria for land resumption as well as for land allotment. In India, for example, it was estimated that the total area

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<sup>9</sup> In India, for example, the abolition of intermediaries led resulted in the transfer of ownership rights over 40 per cent of total cultivated area, while tenancy reforms led another 4 per cent of the cultivated area to be transferred to cultivators (Ravi Srivastava, India Country Paper). In Bangladesh (then East Pakistan) the abolition of Zamindari affected 91 per cent of the cultivated area which had been under the Zamindari system (Abul Barkat, Bangladesh Country Paper).

<sup>10</sup> It is not surprising that some of the Indian states with the lowest ratios of landlessness (e.g Uttar Pradesh) are those in the former Zamindari areas.

declared to be “ceiling-surplus” was around 2 per cent of the cultivated area. The ratio was higher in Pakistan where around 8 per cent of the cultivated land was acquired by the government for redistribution. Land ceiling legislation, like the intermediary abolition and tenancy legislation before it, was left to individual states in India. State-wise legislation reflected not only differences in agricultural economic conditions, but also in the relative strength or weakness of the political mobilization on agrarian issues. In Pakistan while the land ceiling laws were framed at the federal level, the implementation agencies were the provincial land commissions, which followed province-specific rules of allotment.<sup>11</sup>

In the aftermath of intermediary abolition and tenancy reform, land ceiling laws appeared to be the remaining channel through which the government could alter the agrarian structure in favour of the poor. The land ceiling framework is potentially a radical one that requires the involuntary (albeit compensated) acquisition of property from the rich and its assignment to the poor. In practice, however, the ceiling reforms were possibly the least significant of all land reforms in terms of changing the agrarian structure. The area of land affected by these reforms was relatively small compared to other reforms. One factor in this was that landlords pre-empted the law by nominally transferring parcels of their holdings to family members and other dependents.<sup>12</sup> The number of beneficiaries of these reforms was also small compared to the earlier reforms.

Ceiling-based reforms were actively pursued in most Indian states from the 1950s until the 1970s.<sup>13</sup> Similarly in Pakistan, the late 1970s marked the end of these reforms. In fact, in Pakistan, the ceiling reform legislation was successfully challenged in a constitutional court in the 1980s on grounds of its incompatibility with Islamic religious law. Bangladesh continued to legislate ceiling-based reform into the late 1980s, and also witnessed a significant increase in the number of beneficiaries in the 1990s.

### **2.3 Market liberalisation and the impasse in traditional land reforms**

The fall-off in interest in the potential of traditional approaches to land reform in south Asia, broadly coincides with global trends for the growth of market liberalisation, and for reduction of state intervention in economy and society from the 1980s onwards. While conditions across as well as within the countries of the region vary greatly, there remains an implicit consensus at the policy level that the traditional land reforms framework has run its course. There are technical as well as political factors in the impasse in land reform. The discussion is mostly focussed on ceiling reforms, since the abolition of intermediary interests and tenancy regulation were one-off reforms that have already been undertaken.

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<sup>11</sup> A perverse result of moving from provincial legislation to federal law was that for Bangladesh (formerly East Pakistan) the ceiling was actually raised. The provincial zamindari abolition law had set the ceiling at 33 bigha while the federal land ceiling law allowed ownership holdings of 100 bigha.

<sup>12</sup> This practice, known as *benami*, was given formal endorsement when law courts accepted *benami* claims (i.e. claims of effective owners against nominal owners) as authentic rights of ownership.

<sup>13</sup> There were also exceptional cases such as West Bengal where these reforms continued to be important beyond these dates.

It is argued that in many parts of the South Asian region any further lowering of the land ceiling is not likely to serve either efficiency or equity purposes. This argument implies that land fragmentation has already reached such a point in many areas that the large landowners are themselves relatively modest self-cultivators.<sup>14</sup> Moreover, it is argued that change ought to be in the direction of larger land holdings that can exploit economies of scale. This argument is particularly strong in India and Pakistan where it has been argued that the introduction of large-scale corporate farming will lead to a reduction in poverty through employment generation. The empirical evidence shows, however, that scale economies continue to be relatively unimportant in South Asian agriculture, and that small-scale agriculture continues to dominate and remains highly labour-absorbing.<sup>15</sup>

There is a related argument concerning tenancy legislation – that current legislation hampers poor people's access to land through the tenancy market. This argument is often advanced from a market liberal point of view, but carries more weight, and is examined in more detail in Section 4 below.

At country level the factors behind the impasse on traditional land reforms can be classified under three categories: reduction of political demand, growth of political resistance, and weakness of implementation mechanisms.

**Reduced political demand:** While agrarian inequality was a major political issue in the past, it lost its appeal in many areas precisely because the early land reforms successfully accommodated their constituency, and thereby undermined political demand. The abolition of intermediary interests was a major step in this direction. It led to the spread of private property rights among erstwhile tenants of the *zamindars* and other overlords, and there were precisely the groups that were politically mobilized for change.

**Increased political resistance:** The existing land owning groups are strong enough to effectively resist demands for change using their political influence, and ensure that further land reforms are seen as politically destabilizing by governments as well as the main opposition parties.

**Implementation mechanisms:** Further legislative reforms are likely to be ineffective because of the weak bureaucratic implementation mechanisms. Paradoxically, a key feature of the traditional South Asian land reforms – i.e. their reliance on administrative rather than political approaches – is regarded as a factor the failure of these reforms. The experience of the Indian state of West Bengal suggests, however, that a more politically led approach to implementation, especially when backed by social mobilisation amongst peasant and tenant farmers, can be highly effective in overcoming administrative constraints.<sup>16</sup>

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<sup>14</sup> This issue is taken up in more detail in Sections 3 and 4 below. Section 3 reviews the empirical evidence from the three countries on the correlation between land ownership and poverty, while in Section 4 there is a review of the structural issues that create a nexus between landlessness, poverty and social exclusion.

<sup>15</sup> See the evidence cited in Ravi Srivastava (India Country Paper).

<sup>16</sup> It is also interesting to note that organizations engaged in radical agrarian politics in parts of India (e.g. the various Marxist-Leninist and Maoist factions operating in Bihar and Andhra Pradesh) profess to be involved in the implementation of existing land reform laws.

### **3. Land ownership and poverty**

Is land inequality a serious problem in South Asia, and if so, does it still matter for poverty reduction? The lack of policy interest in land reforms might be rationalized, as argued above, by arguing that land inequality is no longer severe (because of the success of past land reforms), and that in any case, the linkage between land and poverty may not be strong. This section and the next (Section 4) provide an abridged synthesis on this issue based on the three country papers. While this section reviews the available quantitative data on land inequality and the land-poverty linkage, Section 4 discusses some of the main structural and institutional issues in access to land.

#### **3.1 Land ownership distribution**

Although there were differences in the rates of urbanization, in all three countries a majority of the population lived in the rural areas.<sup>17</sup> Agricultural remained the largest sector in terms of employment in all three countries, accounting for around half to two-thirds of the workforce. The proportion of the rural households who did not own any agricultural land – i.e. the rural landless – was around 50 per cent in Pakistan, 11 per cent in India, and 10 per cent in Bangladesh. Many of these landless also did not own any homestead land. The incidence of absolute landlessness, therefore, was the most acute in Pakistan.

In both Bangladesh and India, too, however, the incidence of land poverty was very high. In Bangladesh, in fact, households owning less than half an acre of land were officially classified as “landless” and these accounted for 56 per cent of the rural households. In India the category “marginal and sub-marginal holdings” – or holdings of one acre or below accounted for 61 per cent of all holdings – or 54 per cent of all rural households. In total the absolutely landless and those with marginal and sub-marginal holdings accounted for two-thirds of all rural households.

While official data on the distribution of land ownership were not strictly comparable across the three countries – partly due to variations in definition, and partly due to the different land sizes used for classification – there was evidence of comparable degrees of skewedness in the ownership of land. In Bangladesh, for instance, the largest size class was 7.5 acres, while the Pakistan data used 150 acres as the cut-off size for the largest category. In India the top size class included holdings of 25 acres or larger. The top size classes accounted for 2 per cent, 1.5 per cent, and 1 per cent of the rural households in Bangladesh, India and Pakistan respectively.<sup>18</sup> These households accounted for 17, 16 and 27 per cent of total owned area respectively.<sup>19</sup>

Pakistan stood out in the region as a country of a high rate of landlessness as well as a high degree of concentration of land ownership. While the overall size of holdings in Bangladesh was much smaller compared to India, the two countries appeared to have

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<sup>17</sup> The rate of urbanization was the highest in Pakistan, followed by India, and then Bangladesh.

<sup>18</sup> For purposes of comparison the Pakistan data refer to ownership holdings of 50 acres or greater.

<sup>19</sup> Indian ownership data were not available, the figures here are computed using operational holdings data. These are likely to give lower estimates of concentration than land ownership data.

a similar distribution of land ownership. Bangladesh and India were predominantly small and marginal farmer agrarian economies, with a top layer of rich farmers at the apex. Pakistan, on the other hand, appeared to be dominated by big landlords who monopolized land at the expense of a landless majority.

On first reading, this picture seems to correspond well with the effects of land policy in the three countries (discussed in Section 2 above). The abolition of intermediary interests did create a wide base in the pyramid of land ownership in Bangladesh and India, whereas the absence of vigorous land reforms in Pakistan was responsible for the persistence of a landlord-dominated agrarian economy.

The apparent difference between Pakistan and Bangladesh and India was partly due to similarity in the three countries in terms of the relative effectiveness of the various types of post-colonial land reforms. Intermediary abolition worked well in all three countries and affected large areas of land, while ceiling-based reform was the least successful with tenancy reform somewhere in between. As it happened, there were few regions within Pakistan (formerly West Pakistan) where intermediary interests were important. Unlike in the other two countries, in (West) Pakistan, for land reforms to be widely effective the main lever needed to be ceiling-based reform.

Despite differences, it is clear that land inequality has remained a characteristic of the agrarian economy in all three countries. In Bangladesh and India, where the base of land ownership was relatively wide, a majority of the landowners were extremely land-poor. While the top landowners in these countries were not necessarily rentier landlords, land clearly remained concentrated in the hands of relatively few rich farmers.

### **3.2 Land and poverty linkages by country**

Some country-specific observations on land and poverty are provided below.

#### **3.2.1 *Bangladesh***

There is a close correlation between poverty and landlessness in Bangladesh. According to official data, while the overall head-count ratio of rural poverty was 37 per cent in 2003, for those with no land at all it was 57 per cent, while for those with minimal holdings of 0.01 acres to 0.04 acres it was 48 per cent. The ownership of apparently insignificant areas of land was, therefore, associated with a nine per cent point lower poverty ratio.

One feature of the distribution of land in Bangladesh was the apparently rapid change in the land ownership status of households over time. The category of the “landless” (those with 0 to 0.49 acres) had been 19 per cent of all rural households in 1960 had increased to 56 per cent by 1996. Those who were “absolutely landless” increased from 6 per cent of all rural households in 1960 to 10 per cent in 1996. Given the relatively small size of initial land holdings (and the low overall land-labour ratio), the inter-generational fragmentation of holdings due to inheritance would have led to apparently major changes in the land ownership structure. There was also an increase, however, in the proportion of land held in the higher size classes. This indicates that a process of land concentration was also at work.

The Bangladesh country study found that poverty was very highly associated with landlessness, and that landlessness has been increasing significantly. While population growth and consequent decreasing land availability are undoubtedly at work, the study argues that the rapid growth in landlessness should also be attributed to political conditions, in which dysfunctional bureaucracy, corruption and an increasingly criminalised economy impede the effective distribution of public land and facilitate land grabbing by the better off.

### **3.2.2 India**

In India, the relationship between land ownership and vulnerability to poverty was not straightforward. According to the NSS 55<sup>th</sup> round (1999-2000), the overall headcount ratio of rural poverty was 29.1 per cent. Landless households had a somewhat higher poverty ratio (29.7 per cent), but those with small amounts of land (up to 0.5 acres) had a head-count ratio of 33.8 per cent. Poverty ratios then declined only for households with significantly larger ownership holdings. Those with 2.5 to 5 acres, for example, had a headcount ratio of 23 per cent. Rural poverty appears to be concentrated amongst households with very small or marginalised land holdings, and those without access to land or to wage labour. The India country study presents data to show that migration allows those among the landless who might have other (human and social) capital endowments to realize higher returns on those. Indeed, when the land ownership-poverty analysis is conducted by segmenting the sample into migrants and non-migrants, the non-migrant landless show a higher headcount ratio of poverty. Migrancy and access to skills or connections to facilitate waged employment appear to mitigate poverty amongst the landless in India.

The category in India with a very high incidence of rural poverty is “casual agricultural labourers”, whose head-count poverty ratio is 44 per cent (compared to the overall rural average of 29 per cent). Agricultural labourer households are those whose main source of livelihood was wage-paid manual labour in agriculture and related activities. This category, therefore, includes households who might own or possess land, but nevertheless rely mainly on wage labour for their livelihood. They comprised 32 per cent of the NSS sample in 1999-2000. Out of the households without access to land, 44 per cent were agricultural labours, while among those with access to land the ratio of agricultural labours was around a half of that figure at 23 per cent. Lack of access to land, therefore, was closely related to a household’s probability of being an agricultural labourer.

There was also a striking caste-wise pattern in the distribution of agriculture labour households. Over half of the Scheduled Caste households in the NSS were agricultural labour households, while the proportion among the Scheduled Tribes was 40 per cent. Among non-Scheduled Castes and non-Scheduled Tribes, however, agriculture labour households consisted of 23 per cent of the total.

### **3.2.3 Pakistan**

Landlessness consistently comes up as one of the most important correlates of income poverty in statistical and econometric analyses of poverty-related data in Pakistan. The World Bank’s Pakistan Poverty Assessment used data from the Pakistan

Integrated Household Survey (PIHS) 1998-99 to show that the head-count ratio of poverty among the rural landless was 40.3 per cent, while for those owning land it was 28.9 per cent. Even the owners of marginal holdings of less than one acre had a head-count ratio of 31.8 per cent – or 8.5 per cent points lower than that of the landless.<sup>20</sup> These findings are corroborated by the Participatory Poverty Assessment which identifies land ownership and access to land as being among the primary determinants of rural poverty.<sup>21</sup>

Besides its direct impact on agricultural livelihoods, the distribution of land ownership in Pakistan also had broader economic, social and political implications for poverty. The existence of monopolistic landlords was thought to be associated with the creation of monopolistic conditions in other markets – such as those for credit, water, inputs and outputs – and thus created uneven conditions. Furthermore, locally monopolistic landlords were thought to adversely affect the quality of governance of public institutions, including mechanisms for political accountability.

### **3.3 Land distribution and poverty in the region**

Land inequality, measured both in terms of landlessness as well as the concentration of land ownership, was a feature of all three countries. The distribution of land holdings by size class was very different, however, and what amounted to large holdings in Bangladesh were regarded as small holdings in Pakistan. These two countries, however, were similar in one important respect. Landlessness was closely correlated with poverty, and the ownership of even relatively small plots of land was associated with significant improvements in poverty ratios. In India, on the other hand, it was not land ownership *per se*, but broader economic opportunities afforded by access to land that were key factors in escaping poverty. The landless did not have a disproportionately high poverty ratio, because the category includes better off migrant and wage labourers. Households reliant on agricultural labour, whose proportion in the rural population was similar to that of the landless in Bangladesh and Pakistan, were particularly vulnerable to poverty.

The discussion so far has taken a relatively simplistic view of access to land issues in the three countries, in order to facilitate inter-country comparison with reference to broadly understood categories such as “land ownership” and “landlessness”. This simple view was useful because it highlighted, empirically, a set of common conditions in the three countries:

- (a) there remains a close correlation between land ownership and poverty,
- (b) the distribution of land ownership remains relatively unequal, and
- (c) anti-poverty strategies mostly ignore the potential for a wide-ranging pro-poor land policy.

These generalizations are broadly valid even though they overlook important differences between the three countries – and indeed within each of the countries (particularly India). They are also important because they highlight the need and the potential for new directions of policy.

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<sup>20</sup> Reference: Pakistan Poverty Assessment – Poverty in Pakistan: Vulnerabilities, Social Gaps, and Rural Dynamics, The World Bank 2002.

<sup>21</sup> Planning Commission (2003), Participatory Poverty Assessment

#### **4. Institutional issues in access to land**

In order to draw out more usable lessons, however, it is necessary to pay attention to the specific features of access to land in each country – if not sub-regions within each country. This section, therefore, examines structural and institutional issues in access to land. It dispenses with an understanding of land access based on statistical patterns of land ownership, and offers a more nuanced analysis of property rights, the functioning of markets, and societal factors. It seeks to provide a strategic overview of land reform instruments, the institutions of tenancy, land rental, and land markets, as well as social structures in the three countries. Given the size and complexity of the region, this overview is far from comprehensive. We do however identify some key factors that might assist in moving the discussion forward on a pro-poor land policy.

##### **4.1 Environmental factors**

Before proceeding with the institutional overview it is important to make note of structural issues of an environmental nature. The differences between the countries in terms of their environmental endowments have already been mentioned above. In particular, it was noted that the land-labour ratio in Pakistan was around four times higher than in Bangladesh. It was also noted that Pakistan had a relatively high rate of irrigation – an indication not necessarily of a favourable environment, but of the fact that much of the land in the country was uncultivable in the absence of irrigation.

The Indian agrarian economy is made up of several distinctive geographical zones, and it is not possible to make confident generalizations about environmental conditions in these zones within the confines of the present study. In both Bangladesh and Pakistan, however, it is possible to identify unique geographical areas that account for the bulk of the agricultural area and population. These are respectively, the delta in Bangladesh, and the Indus basin in Pakistan.

A defining environmental characteristic of the Bangladesh delta is the ongoing process of alluvion and diluvion – the emergence and submergence, respectively, of land due to changes in the water flows and levels of river and sea. Much of the Indus basin, in contrast, is practically semi-arid and has been made cultivable only through the construction of barrages and canals conveying water deep into former wasteland. A common feature in the two regions is the variability, historically, in the land frontier. Since property rights in land are established generally through long continuous periods of settled possession, and these environmental factors in both Bangladesh and Pakistan can be considered to have disrupted the institutional evolution of property rights.

##### **4.2 Gender**

Gender is one dimension of exclusion from access to land that can be found, with notably few exceptions, across the board in all three countries, and among economic and social segments within each country. It remained, however, a much neglected area of research as well as policy making until relatively recently. All of the land ownership data reported in Section 3, as well as the discussion of land reforms in Section 2 before that assumed the household as the basic unit of analysis. How

households might be constituted and how resources might be allocated within households was not probed.

Gender and patriarchy, however, to go the very core of what it means to own land or to have access to land in South Asia. Institutions, formal as well as informal ones, which govern access to land, appear to be the bedrock of social conservatism in the region. Women are widely excluded from both nominal, as well as effective, land ownership. Women as autonomous economic agents are systematically excluded also, from other forms of access to land, through tenancy or leasing. The exclusion of women and strong patriarchal control over land are features not only of the informal institutional structure, but are also reinforced through formal systems of law.<sup>22</sup>

While a comprehensive treatment of gender and patriarchy is beyond the scope of the present study three specific aspects need to be highlighted here.

First, there remains considerable scope for legal reform on the issue of women's property rights to land. Denominational inheritance laws across the region are inequalitarian. While the reform of these laws raises complex and politically difficult questions such questions cannot be ignored indefinitely.<sup>23</sup> There are other aspects in the practice of law, such the *benami* principle, which work mostly to the disadvantage of women's property rights.

Second, land policies need to explicitly recognized and address gender inequity in access to land. The Indian Five-Year Plan (discussed in Section 5 below) contains progressive provisions with respect to the government's allotment of land acquired under ceiling-based land reform.<sup>24</sup> The principle needs to be applied, however, to other dimensions of land policy reform across the board, for example in the regulation of tenancy, and in the modernization of land titling systems.

Third, legal changes are not sufficient in themselves in improving women's autonomous access to land. Strong patriarchal norms in many parts of the region imply that women's control over their property remains nominal, and the key decisions about the economic use of the property remain in the hands of their male relatives and family members. There is quite clearly need for social mobilization on the issue in order to encourage the formation of new, more egalitarian, social norms.

### **4.3 Marginalized communities**

Statistical data on the overall incidence of land ownership or the distribution of land do not reveal crucial social dimensions of access to land. Gender and patriarchy is one such dimension. Over much of the South Asian region, moreover, access to land has also been a defining characteristic of social exclusion along the lines caste, kinship and social grouping. The traditional agrarian society over much of South Asia is based on strong social networks alongside hierarchical relations between social

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<sup>22</sup> For an authoritative regional study see Bina Agarwal (1994), *A Field of One's Own: Gender and Land Rights in South Asia* (Cambridge: Cambridge University Press).

<sup>23</sup> It is interesting to note that while inheritance laws for Hindus in India have been revised in order to allow for daughter's inheritance rights, the traditional male-only inheritance law continues to apply for the Hindu community in Bangladesh.

<sup>24</sup> Women have been made the primary beneficiaries of such land transfers.

groups. While the “caste” is regarded as a composite system encompassing both solidarity as well as hierarchy, it is useful to deal with the two issues separately.

The existence of strong organic social networks which exercise intra-group solidarity exists in South Asia not only within the traditional framework of the “Hindu caste system” but also along other axes such as kinship, extended families, *biraderis*, and tribes.<sup>25</sup> Land ownership is invariably vested in locally powerful groups, and group membership can be a crucial prior condition for access to land at the local level. This holds true not only of most regions of India, but also for much of Pakistan.<sup>26</sup> The solidarity dimension of caste – even in the absence of hierarchy – has an important bearing on the functioning of the land sales as well as rental market.

The hierarchical aspect of caste – the existence of an across-the-board hierarchy of caste groups – is a distinctive feature of the “caste system” in the region. Although this is not universal, a generalized caste hierarchy does exist over much of India, and over large parts of Pakistan (particularly central Punjab). The South Asian caste hierarchy is arguably one of the most insidious forms of social exclusion anywhere in the world. At the bottom of the caste hierarchy were the Scheduled Castes (or Dalits) who were restricted to the margins of agrarian economy and society. The Scheduled Castes were excluded not only from land ownership, but also from direct participation in farming as tenant-cultivators. Their role in the agrarian economy was limited to that of farm labourers.

The Indian political system has been alive to the problem of caste hierarchy from the very outset. There are constitutional provisions for positive discrimination in favour of disadvantaged caste groups in education, employment and other public provisioning. Scheduled Castes also receive preferential treatment in the allotment of land acquired under ceiling laws. In Pakistan, on the other hand, the issue of caste hierarchy has been invisible from the policy discourse. In fact, existing land allotment policies actively discriminate against the non-agricultural low castes by restricting land allotment to people recognized, *a priori*, as “cultivators”.

While some marginalized communities such as the Scheduled Castes have been historically excluded from access to land, other communities are thought to face the threat of alienation from their historical or traditional rights in land due to their disadvantaged social position. In the case of India the Scheduled Tribes are thought to be particularly vulnerable in this regard. Over many parts of the country Scheduled Tribes are thought to have lost land to upper caste and politically powerful migrants into their traditional areas. There are now legal provisions for the protection of Scheduled Tribes from land alienation. Land alienation of indigenous tribal people was also an important issue in an insurgency in the Chakma Hill Tracts of Bangladesh, and protection from alienation was a crucial element of the peace accord between insurgents and the government.

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<sup>25</sup> Even among Hindu communities the caste hierarchy is not universal. The concept of the “dominant caste” was introduced by the eminent Indian sociologist M.N. Srinivas (see e.g. M.N. Srinivas, 1987, *The Dominant Caste and Other Essays* (Delhi: Oxford University Press) in order to account for locally powerful landowning groups that might not enjoy a particularly high ritual status.

<sup>26</sup> Bangladesh appears to be an exception in this regard.

In Bangladesh, where caste and kinship do not appear as important dimensions of social hierarchy, religious and ethnic discrimination have emerged as insidious contemporary forms of exclusion. The process started in earnest in the 1960s when the government of Pakistan (of which Bangladesh was then a part) enacted draconian legislation to forcibly take over land belonging to the Hindu minority.<sup>27</sup> After the liberation of Bangladesh in 1971, however, the land was not restored to its original owners.<sup>28</sup> A new act, however, allowed the government to take over the lands belonging to those people of non-Bengali ethnicity who had sided with Pakistan during the liberation war.<sup>29</sup> Taken together, these laws resulted in the take-over of around 3 million acres, or one-sixth of the cultivated area of the country. Social and political mobilisation by a small group of committed activists had led to the formal repeal of the EPA/VPA. The process of restoration of land, however, will require pro-active government action, considering that most of this land was occupied illegally by locally powerful individuals and remains under occupation.

#### **4.4 The state and property rights**

Closely following on from social exclusion, any discussion of access to land issues needs to acknowledge the insecurity of private property rights in land in the region. One dimension of this insecurity lies with social exclusion, group-based discrimination, and indeed, social norms regarding access to land. The institutions of private property and of markets in property rights do not function well for those people who are socially excluded – because they are excluded, among other things, from equal treatment under the rule of law. Asymmetries between the better off and the poor in terms of social justice, education and information, and lack of access to finance (and the very assets which could serve as collateral) combine to generate a vicious circle of exclusion, which limits the capacity of the market to redistribute property rights.

The insecurity of property rights is also a function of the incapacity of the state to robustly enforce the rule of law altogether – in a discriminatory or egalitarian manner. If private interests are able to undermine the ability of the state to enforce property rights, on behalf of the rich, the poor, or both, land claims must be backed by the application of social and political power.

The discussion of weak property rights in South Asia has gone in two distinctive – though possibly complementary – directions. First, in line with market-orientation it is assumed that the rent-seeking power of the land bureaucracy is the main or sole source of weak property rights. The implied policy, therefore, is administrative reform and technical solutions aimed at reducing the discretionary powers of the bureaucracy and assist in the proper implementation of the pro-poor provisions of land policy. There are successful cases in Indian states of using information technology to improve the maintenance of land records. Similar experiments are underway in Pakistan. However, improved technology cannot, in itself, lead to institutional or culture changes in the bureaucracy which will operate it, although it

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<sup>27</sup> This was done under the Enemy Property Act (EPA) under the pretext that many East Pakistani Hindus had collaborated with Indian forces during the brief war between India and Pakistan in 1965.

<sup>28</sup> A new law called the Vested Property Act (VPA) replaced EPA but effectively froze the situation.

<sup>29</sup> This was done under the Abandoned Property Act (APA).

may provide opportunities to increase transparency and accountability in land administration.

The second direction of analysis is that the weak enforcement of property rights – while it does involve rent-seeking on the part of the land bureaucracy – is also the function of the relative strength of private interest groups vis-à-vis the state as a whole, and the institutions of justice in particular. This is widely thought to be the situation in Bangladesh, Pakistan, as well as many parts of India.

Land-related conflict appears to be particularly acute in Bangladesh with a proliferation multiple claims of ownership and a high incidence of litigation. Part of the explanation for this might lay in the environmental-historical conditions of the country. The Bangladesh country study argues that the process of access to land has become criminalised, and the main agents for enforcing property rights are local level “jotdars” and “touts” who are able to assert their claims through a combination of litigation and threats of violence. These local strongmen are often connected to powerful local economic interests and to political parties, acting as their musclemen in party-political contest. In parts of Pakistan the ownership of land appears to be a function of prior social power based on kinship group mobilisation and patronage. Here, the ability to build coalitions of tribal and kinship based support counts for economic as well as political advantage. While the precise route through which private groups interfere with the institution of property rights differs in the two countries, the result is similar: the “mafias” in rural Bangladesh and the kinship groups in many parts of Pakistan have effectively undermined the functioning of the modern state.

The policy implications of this latter view of insecure property rights are somewhat different from the former. While administrative reform and information technology will undoubtedly help, the appropriate pro-poor response in this case will be some combination of social mobilisation and state strengthening for improved governance. There is evidence from Bangladesh of widespread social mobilisation for the protection of the rights of poor people to state-owned Khas land. Similar ideas have been suggested in policy discussions in India.

#### **4.5 Tenancy and land rental**

The traditional land reform debate in South Asia has focused on access to land through the establishment of secure and durable property rights for the poor. While redistributive land reforms involve the outright transfer of ownership, tenancy reforms also promote the vesting of stronger rights of possession in poor families. What these traditional land reforms have in common is the idea of a one-off transfer to the poor. There is an implicit rejection of the possibility that an active tenancy market might be one way of expanding poor people’s access to land.

The underlying logic of restricting the operation of the tenancy market is the historical view of tenancy as the principal mechanism for the exploitation of labour by a landholding class, restricting opportunities for cultivators to move out of poverty. This view was valid for many classes of cultivators in many regions – especially in the former zamindari areas of South Asia – and tenancy reforms did indeed contribute

towards the empowerment of former tenants. However, with the abolition of intermediary interests in land, and with the acknowledgement that redistributive land reforms are no longer part of the current policy agenda, it should be noted that the anti-tenancy bias in law and policy can have perverse effects. Given the fact that landlessness remains widespread and a key correlate of poverty, it is worth asking whether a more active land tenancy and rental market might not improve poor people's access to land.

The experience of Pakistan might be instructive in this regard. Pakistan has a relatively skewed distribution of land ownership, but a much more equal distribution of land operation, thanks mainly to the existence of an active land tenancy market.<sup>30</sup> This market enables many of the landless poor to take part in direct cultivation rather than work as casual wage labourers. There are significant problems (such as vulnerability to bonded labour), of course, in the terms and conditions of tenure, and the monopolistic power of landlords. These problems notwithstanding, the tenancy market does expand poor people's access to land and provides secure livelihoods in some parts of the country.

## **5. Land policy in current poverty reduction strategies**

There are poverty reduction programmes in place in all three countries. Bangladesh and Pakistan have undertaken the Poverty Reduction Strategy (PRS) process. In India, the 10<sup>th</sup> Five Year Plan is regarded as the overarching policy framework for poverty reduction. Given the linkage between land and poverty in all three countries it is useful to review the incorporation of a pro-poor land policy in the anti-poverty strategies of the three countries. This summary provided here is based on a reading of the Interim Poverty Reduction Strategy Paper (IPRSP) in Bangladesh, the 10<sup>th</sup> Five Year Plan in India, and the full Poverty Reduction Strategy Paper in Pakistan.

### **Bangladesh - IPRSP**

There is relatively little analysis of the land-poverty linkage in the Bangladesh IPRSP. The discussion on agriculture, for example, focuses entirely on growth, without any explicit reference to access to land as a mechanism for translating growth into poverty reduction. The section on rural development also does not address problems relating to access to land.

Land is discussed under "Policies and Institutions for Reducing Inequality". This section argues that there is limited scope left for traditional redistributive land reforms in Bangladesh. The main cause for this is the unavailability of surplus land for redistribution. Given the limitation of redistribution, the IPRSP emphasizes the need for the allotment of state-owned Khas land to the landless.<sup>31</sup> It is also acknowledged that the proper implementation of land allotment will require considerable social mobilisation on the part of grassroots organizations. There are general suggestions

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<sup>30</sup> While this might also be true of large parts of India, the stronger anti-tenancy bias in law is thought to lead to under-reporting of tenancy.

<sup>31</sup> State-owned cultivable land and water bodies are known as *khas* in Bangladesh.

concerning democratising and strengthening non-governmental and community-based organizations.

The IPRSP recognizes the possibility of improving poor people's access to land through the tenancy market, and the potential benefits to the poor of the enforcement of more favourable terms in this market. Specifically, it is envisaged that improving the security of tenure will help the poor farmers, especially women. The IPRSP also calls for strengthening the system of property rights, particularly through the computerization of land records.

### **India - Tenth Five-Year Plan**

The Tenth Five-Year Plan makes an explicit connection between poverty and access to land and recognises that the majority of the poor are rural people dependent upon agricultural labour. It reviews the record of land reforms and finds that in the recent period these have had limited impact on poverty reduction. There is recognition that agricultural labourers constitute the core of the rural poor, and that these are disproportionately from Scheduled Caste and Scheduled Tribe households. However, because of declining overall land availability, the Plan finds little room for manoeuvre to improve land access as a route to poverty reduction, except by bringing degraded land back into use.

While the Plan acknowledges that land policy is mostly the domain of state governments (rather than the central government) in India, some directions of policy are, nevertheless, suggested.

The Plan calls for strengthening the working of markets in both land tenancy and rental, as well as in land sales. It suggests revisiting tenancy laws, and asks whether a reversal of tenancy regulation might not improve poor people's access to land through the rental market. It also supports the continuation of the computerization of land records and the use of computerization for a more effective implementation of land ceiling laws, and to help guarantee the land rights of scheduled tribes.

As part of the general market-oriented thrust of the Plan, it suggests that the government could enter the land sales market as a major player in order to effect a redistribution of land.

Finally, however, there is recognition in the Plan of some of the caveats of marketization, and the vulnerability of particular groups such as the Scheduled Tribes as well as women, from the free play of land markets. There is need for continuing, and stronger, government action to prevent the alienation of tribal lands. Moreover, the Plan underscores the need for reforming inheritance laws in order to equalize women's rights to land.

### **Pakistan – PRSP**

The PRSP in Pakistan makes very little reference to issues related to land and poverty. There is no discussion of access to land issues or the mechanisms through which agricultural growth might lead to poverty reduction.

Land policy receives explicit mention with regard to two issues. First, it is suggested that the government should improve the distribution of land through the allotment of state-owned land to the landless. Unlike other policy areas addressed in the PRSP, however, there are no targets set in terms of the area of land to allotted or the number of beneficiaries. The PRSP also does not take the opportunity to review the past experience of the land allotment policy with respect to poverty reduction.

Second, there is discussion for the need to encourage “corporate agriculture”. In terms of land policy this implies the exemption of any land designated for “corporate farming” from the application of existing land ceiling, tenancy regulation, or other related legislation.

The PRSP refers to the ongoing decentralization and local government reforms programme initiated by the National Reconstruction Bureau as providing positive opportunities for poverty reduction. There is no recognition in the PRSP document or indeed other policy documents, as yet, of the implications of the decentralization and local government reforms on land policy. This is likely to be an important area of change, given the historical link between district government and the administration of land policy.

## **Discussion**

Comparison between the three poverty reduction policy documents is useful. While the three country documents had several features in common, there were also important differences.

The Indian Five Year Plan had the most explicit treatment of access to land issues of all three documents. It provided a review of past land reforms as well as other aspects of the land economy such as the functioning of tenancy and rental markets. The Bangladesh IPRSP did acknowledge the importance of access to land in poverty reduction, but being an interim document, dealt with the issue in a general manner. It commented on previous land reforms by suggesting that the scope for further action on that score was limited. The Pakistan PRSP was conspicuous among the three documents in that it made no reference at all to existing land policy, the experience of land reforms, or the need to address issues relating to access to land in a poverty-reduction strategy. All three documents, therefore, ruled out redistributive land reforms as part of a future poverty-reduction policy. Two countries did so explicitly, and one by outright omission.

All three documents laid stress to the allotment of state-owned land as a way of improving poor people’s access to land. While the Bangladesh policy of allotting Khas land appeared to anticipate problems of implementation and hence calls for the involvement of NGOs and community organizations, the treatment of the issue was somewhat cursory in the Pakistan PRSP. All three countries also support the computerization of land records as a way for improving the system of property rights, the implementation of land policy, and the functioning of the land market.

The Indian and Pakistan documents were particularly pro-market, but in somewhat different ways. While the Indian Plan saw potential in the market for improving poor people’s access to land – through freeing up the tenancy market, and reducing

transactions costs in the sales market – the Pakistan strategy supported the promotion of “corporate agriculture”. The poverty-reducing potential for this policy was not spelled out, and it implied further alienation rather than expansion of poor people’s access to land.

Despite differences in the tone and quality of the treatment reserved for access to land issues in the three country documents, all of them shared an important critical feature. None regarded access to land as an integral part of the poverty–reduction strategy, and none provided any specific directions of policy-making that could be followed up with an implementation strategy. In other words, differences in analytical content notwithstanding, there appeared to be a negative consensus in the three countries concerning the potential for a proactive land policy as part of a poverty reduction strategy.

## **6. Conclusion**

This study was based on the premise that there was a case for a pro-poor land policy in South Asia, and that it was possible to move beyond the traditional land reforms debate in the region. Country-wise reviews of Bangladesh, India and Pakistan carried out for this study have shown that, indeed, access to land ought to be a prominent element of poverty reduction programmes in the region. Lack of access to land remains a crucial factor associated with rural poverty, and affects the largest concentration of the poor in all of the three countries. Moreover, existing formal and informal arrangements that mediate access to land are deeply connected with structural features of poverty and social exclusion such as gender and patriarchy, social networks and marginalized communities, and the weak and pro-rich functioning of state institutions.

A pro-poor land policy was regarded as a central element of economic development and political stabilization in the early post-colonial period. The traditional South Asian approach to land reform was administrative rather than political, and was based on the introduction of incremental changes within the existing colonial land systems. Of the three common features of land reforms – extradition of intermediary interests, tenancy regulation and protection, and land ceiling laws – the former was the most successful in terms of the number of beneficiaries and the area of land affected. Tenancy reform was effective in some areas as pro-poor policy, but also led to the pre-emptive dispossession of tenants in other areas. Both these reforms did, however, move the regional agrarian economies towards unfettered private property rights in land.

Ceiling-based land reforms were potentially the most radical but the most limited in terms of actual scope, and the most problematic in terms of implementation. These latter reforms also happened to the ones that might have reached core issues in rural poverty in their respective areas. While the earlier land reforms had mostly benefited existing cultivators – many of them poor, but few from among the poorest – outright land redistribution might have been expected to benefit the most socially excluded. Indeed, Scheduled Castes as well as women were recognized the primary target groups for such reforms in India. In Pakistan too, ceiling-based reforms might have been expected to break the monopolistic power of big landlords. The relatively poor

record of ceiling-based reform suggests that countries in the region were good at tackling the “easier” aspects of land inequality but were unable to move effectively on to core issues of social exclusion in access to land.

The absence, currently, of land reform from the mainstream policy agenda does not preclude the scope for revisiting questions of land re-distribution by the state and tenancy reform. This will depend on the political receptivity of central and state/provincial governments (in Indian and Pakistan) and the effectiveness of advocacy in securing re-consideration of redistributive land reforms on the political agenda. It will also require fuller understanding of land availability, the operation of land markets and demand for land access by social movements and farmers’ / poor peoples’ organisations on a regional and local basis. Important conclusions of the India country study, borne out by experience elsewhere in the world, are that:

- Even modest reforms can spur growth and reduce poverty, and the potential for reforms has not been fully understood or exploited; and
- Market based reforms are important but of lower overall potential than redistributive (including secure rights for tenants) reforms

Current poverty-reduction programmes in the three countries pay varying degrees of attention to land policy. There appears to be a negative consensus among policy-makers in the region that there is little scope for further land reform of the traditional type. Given the prevalence of rural poverty linked to limited land access, the negative consensus on traditional land reform is regarded here as a challenge to innovate.

This section attempts to draw out lessons from the experience of the three countries to outline the components of pro-poor land policy and programmes in the region. These lessons are based on both existing prior conditions with respect to access to land, as well as ongoing policies and experiments in the three countries. Five specific directions of policy and programmatic intervention are highlighted here: (i) facilitating access to state owned land, (ii) tenancy and rental of land, (iii) social mobilization, (iv) efforts to reduce social exclusion, and (v) policy and action research. These five directions of intervention are potentially all complementary. In fact, there is a strong presumption here that they ought to work in combination with one another.

### **Facilitating access to state owned land**

The transfer of land currently owned by the state (either originally state-owned or acquired through ceiling reforms, expropriation or other means) represents the residual lever, in the current policy environment, of a government-led redistribution of land ownership.

In Pakistan, the total area of land allotted by government (including ceiling-surplus land as well land originally owned by government) amounted to around one-quarter of the cultivated area. The land allotment policy has been socially exclusionary. It has been designed to create a relatively small class of middle-sized farmers rather than eradicating landlessness. The allotment of public land in rural areas (in the neighbourhood of villages) for residential purposes has been more effective in its pro-poor impact.

In Bangladesh government-owned area (called *khas*) comprises over 3 million acres of land and water bodies. Much of this land, however, is under the possession of the non-target groups such as the well-off local powerbrokers. The system of property rights in land is characterised by the preponderance of conflicting claims of ownership, weak contract enforcement, and multiple sources of jurisdiction. There is scope, therefore, for improvement in land records and administration as well as social mobilization for the transfer of *khas* land to its intended beneficiaries. *Khas* land redistribution might lead to dramatic improvements in the poor's access to land, though the process of effecting the redistribution will, in itself, require some shifting of political power away from the local elites and towards the poor.

In India some of the most progressive aspects of land policy – such as access to land on the part of women and Scheduled Castes and other socially excluded groups – requires the transfer of land currently held by government. These transfers, even if they are small compared to the scale of the problem, can have positive externalities in terms of changing social norms concerning land ownership.

### **Land tenancy and rental market**

The land tenancy and rental markets need to be regarded in a more positive light in future policy on access to land. The traditional focus on land ownership, and the suspicion that tenancy needed to be closely regulated because it invariably led to exploitation, needs to be modified. In Pakistan, for example, the existence of an active tenancy market has enabled some equalization in access to land. Moreover, the tenancy market is active and enjoys social legitimacy across the region. The high frequency of transactions in this market – sometimes concealed due to existing laws – implies that there is scope for market-based interventions.

There are, nevertheless, issues of both constraints to poor people's participation in this market, as well as the terms on which they might participate. Small-scale experiments in Pakistan of community organizations acting as intermediaries on the behalf of their members in the tenancy and rental market show that it might be possible to overcome these constraints. The lessons of the Pakistan experience – especially in some regions where there has been a relatively *laissez-faire* attitude to the functioning of the tenancy market – might provide useful insights to other countries in the region. There is also evidence of the land leasing market being used by community and women's organizations in parts of India in order to improve their members' access to land.

Government policies have tended to favour leasing activities on the part of the corporate sector. Experiments such as the land-share company case (in Andhra Pradesh in India), however, appear to have had adverse consequences for the poor.

### **Social mobilization**

The traditional South Asian land reforms relied exclusively on administrative implementation in favour of approaches based on social or political mobilisation. It was in those regions where these reforms specifically departed from the exclusively administrative model, however, that they were found to have been the most successful. It is paradoxical that resistance to further land reforms is partly motivated

by the supposed failure of past reforms, whereas successful models of reform are present.

Policy and programme interventions cannot rely on the neutrality of pre-existing institutions to ensure the equal participation of the poor. Social mobilization, for example, was a key factor in the success of land reforms in West Bengal in India, while ostensibly similar legislation elsewhere failed to make a significant impact. Similarly, the distribution of state-owned *Khas* land to the poor in Bangladesh has illustrated the importance of social mobilisation in ensuring that the policy actually benefits its target group. Experiments such as land titling might gain a pro-poor content if they are accompanied with social mobilization around issues of women's rights to right and the implementation of existing land reform laws.

### **Recognition of social exclusion**

Access to land is quite largely an issue of social exclusion. Gender-based discrimination is an often-unacknowledged form of exclusion in the South Asian region. Norms concerning women's unequal access to land appear to be socially and culturally entrenched, and therefore difficult to shift. Explicit recognition of gender-based social exclusion from land is likely to challenge existing norms, and lead to positive results over the long term.

Other forms of social exclusion, such as those on the basis of caste, kinship, ethnicity or other group-based identity, are also strong in South Asia. The experience of India, where there is an established tradition of positive discrimination in favour of historically excluded groups, can be valuable for other countries of the region.

Two distinctive forms of positive discrimination are worth considering. First, the promotion of access to land to historically excluded groups such as women and communities that suffered caste oppression. Second, the protection of historical and traditional rights to land of groups such as indigenous tribal people and ethnic and religious minorities. This applies not only to government policy, but also, in the first instance, to programme interventions on the part of non-governmental organizations.

### **Policy and action research**

In addition to social mobilisation and organisation, another key to effecting pro-poor agrarian change is knowledge about the impacts of reforms and of current agrarian relations on the poor, the nature of land markets, the inter-relationship of the control and ownership of land with political power, and the effectiveness of different programmatic and operational modalities under different political and market conditions. This points towards the development of a potential research agenda in order to inform policy and programme development. Consideration of the findings of all three country studies led to the conclusion that further research has an important role to play in advancing the land access agenda in all three countries.

Moreover, the research required is not purely academic, although academic work has and will continue to play an important role in developing an understanding of agrarian change and its poverty impacts across the region. Each country assessment in this study found potential opportunities to link research directly with practical engagement

and experimentation in order to assist Rural Support Programmes, land rights advocacy, donor strategy, and policy development by the state.

## **7. Recommendations**

### **Regional**

1. More information and research is required on:
  - Tenancy and rental markets
  - Land sale markets (subsidised credit, existing practices and players)
  - Computerisation of land records and its effects
  - Social mobilisation - recognition of social, group based and gender exclusion
  - Feasible policy options for decision makers
2. Explore possibilities of reach out to and working through regional organisations the SAARC Social charter could be used as a platform  
Work with SAAPE: Citizen's social charter (3 major focuses of SAAPE have land issues is embedded)
3. Publish a book, based on the three country studies, the regional overview and including other available information
4. Explore possibilities of undertaking research supported by DFID country programmes and through DFID central research programmes, and influencing the new DFID research strategy to address these issues.
5. Explore possibilities of linkage projects across countries, including NGOs and academia and identify best practices in social mobilisation, advocacy and land management by land reform movements and CSOs.
6. Undertake a follow up regional workshop to engage DFID country programme and partners directly on poverty and land and natural resource access and consider next steps which they could support.

### Country specific recommendations

#### **Pakistan:**

1. Engage primarily with Provincial Governments, who can address land issues in practice, rather than central Government.
2. Action research on tenancy / leasehold market mediation, to be led by RSPN, also engaging Government, to sensitise and motivate.
3. Develop a policy advocacy document, to engage Government, particularly on arguments against not doing land reforms
4. Establish an inventory of different initiatives – how they have succeeded or failed under different market, policy and institutional conditions. This will be needed to support project design by RSPN and for policy engagement with government.

#### **Bangladesh:**

1. Sensitisation of CSOs, Government, Economic associations, political parties on land access issues
2. Support for efforts to include clear policy and programme commitments on *Khas* land distribution and land access generally in the PRSP

3. Consider the possibility of an expanded version of Dr Barkat's rapid study of land NGO interventions and impacts

**India:**

1. Share the paper with DFIDI staff and other programmes and generate new ways to incorporate within existing programmes. Consider how existing initiatives and further research could feed into development of India's 11<sup>th</sup> Plan.

2. Undertake work to assess more systematically the place of land access in the DFIDI project portfolio: current impacts, opportunities and constraints impacts