National Consultative Workshop on the Land Policy Reform for Agricultural Transformation in India Study
Organization

1. Overview of Indian Tenancy Context & Impacts on Agriculture
2. Model Land Leasing Act and Reform
3. Inclusion of Women & Dalits in the Land Policy Reforms
4. Inclusion in Agricultural & Rural Development Schemes by Central and State Governments
5. Conclusions and Recommendations
6. Policy Questions for Discussion
1. Overview of Indian Tenancy Context
1. Impacts of Redistributive Land Reforms

1. Unlike East Asia, results of historical Redistributive Land Reform in India met with limited success, particularly for tenants from lower farm-size class & caste

2. Land reform laws treated tenancy differently in different states

3. Banning/restricting tenancy now identified as one of the big failures

4. Informalities continue/expand with diverse tenancy forms, mostly unrecorded
   • 25-30 % of farmers are tenants (under-estimate)
   • > 90 % of tenants are small farmers; 36 % of tenants are landless; and 54 % farm < 1 ha

5. Continued tenancy bans/restrictions resulting in sub-optimal ag. outcomes
   • Larger than optimal fallow area & poor tenant access to public and private agricultural schemes and services → negative impacts on long-term farm investment and productivity
### 1.2 Recent Tenancy Trends & Impacts on Agriculture

**Trends**

- **Increase in:**
  - Leased area (tenancy);
  - Fixed rate type of tenancy term;
  - Number of high-tenancy holdings;
  - Longer-term leases;
  - Larger farm size classes leasing-in land ("reverse tenancy");
  - Recording of leases (still only 12.8%).

**Tenancy Impacts on Agriculture and Farmers**

- **Little difference** in yield per hectare on tenanted land vs. owned land.
- **Rise** in the proportion of fallow lands.
- **Decrease in/Reduced:**
  - Agriculture investment associated with uncertain informal tenure arrangements;
  - Tenants’ access to mainstream agricultural development schemes;
  - Agricultural productivity long term & overall.
- **Higher** suicide rates among tenants in states like Andhra Pradesh and Telangana.
2. Model Land Leasing Act & Reform
2.1 Model Agricultural Land Leasing Act

- NITI Aayog’s Model Agricultural Land Leasing Act (Model Act) argues that:
  - Tenancy is not socially regressive but is rather an economic necessity
  - Landlord-tenant relations not always against interest of the tenant; both interests can be mutually protected
  - Formalization of the land rental market can stimulate inclusive agricultural transformation and growth

- Key Provisions of the Model Act:
  - Removal of clauses allowing long-term tenants to acquire ownership rights in different provincial legislations
  - Lease terms, including duration and rent, as per mutual agreement between owner and tenant
  - Automatic resumption of land post-lease or due to violation of lease-terms viz. land degradation
  - Tenants can access institutional credit & insurance based on attested written lease agreement
  - No recording of lease agreement in the land (ownership) record (Record of Rights, RoR)
  - Incentivises tenants to make land improvement investments

- Adoption by the States (Land is a state subject)
  - Uttarakhand, Uttar Pradesh, Madhya Pradesh, and Maharashtra have already introduced amendments to existing laws or promulgated new laws.
  - In Punjab, Odisha, and Karnataka, the legal reform process is still underway.
  - Andhra Pradesh brought in a similar new act in 2019 replacing a previous tenancy law enacted in 2011.

- Scope for increased cross-state knowledge sharing and awareness building and further refining and strengthening new legal reform initiatives based on the lessons learnt
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<tbody>
<tr>
<td><strong>Lease duration</strong></td>
<td>11 months</td>
<td>1- 5 Years</td>
<td>Mutually decided</td>
<td>1-3 Years</td>
<td>1-5 years</td>
</tr>
<tr>
<td><strong>Agreement</strong></td>
<td>Lessee &amp; Lessor; countersigned by Revenue Officer</td>
<td>Lessee &amp; Lessor</td>
<td>Registered under Indian Registration Act, 1980</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lease Database</strong></td>
<td>Register by Village Revenue Officer</td>
<td>NA</td>
<td>Tehsil Office</td>
<td>Tehsil Office</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Transferability of Contract</strong></td>
<td>NA</td>
<td>Not Transferrable</td>
<td>Co-Lessee can be included</td>
<td>NA</td>
<td>Non-Transferrable</td>
</tr>
<tr>
<td><strong>Access to Entitlements</strong></td>
<td>Loan, Insurance, Rythu Bharosa</td>
<td>Relief</td>
<td>Loan/ Insurance</td>
<td>Loan, Insurance, Relief, Govt Grant</td>
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2.2 Case Study: AP Licensed Cultivators Act (2011)

Key features

- Introduced before NITI Aayog’s Model Act; simple and brief Act and Rule; tenure 1 year for the duration of the crop
- Eligibility: farmers, who raise crops with express or implied permission of landowner, but have no record as per other state laws
- Provides Loan eligibility cards (LECs) to enable their access credit, input subsidy, crop insurance, compensation for crop damage
- Did not repeal AP Tenancy Act, 1956, which allows full ownership rights to tenants after 12 years of cultivation with contract
- Revenue Officers issue LECs based on application of tenant and verification in Gram Sabha (landlord consent not mandatory)

Implementation experience

- Limited take up of LEC application, LEC issuance, and loan taking in first year of implementation
  - 39% of estimated tenants applied for an LEC, 29% were issued LECs, and only 15% of LEC holders were advanced bank loans
- Tenants and landlords had limited awareness of the Act and its implications for them
- Landlords blocked tenants from registering for LECs, fearing these could be used to eventually claim ownership
- Bankers’ limited awareness of LECs undermined loan access even for those tenants that did receive LECs

Replaced with AP Crop Cultivators Rights Act, 2019 with Crop Cultivator Rights (CCR) Card provision

- Agreement executed between landlord and tenants, countersigned by Revenue official; tenure max 11 months
- Poorer performance; alleged manipulation of landlords executing false contracts with relatives to get benefits
2.3 Modern Leasing Reforms: Critiques & Early Lessons

1. Is formalization of leasing rights sufficient to secure tenant livelihoods (instead of redistribution/ownership)?
2. Trend of increasing absentee landlordism & falling with risks for overall agricultural productivity
   • Conversion of arable land to non-agric. use or sign of landlords’ viewing land as a store of value vs. productive asset?
3. Leasing formalization may not have immediate impact on fallow land depending on terms of lease (payment)
4. Keeping terms open for negotiation by lessee/lessor may suit powerful landlords’ vs. tenants’ interests
5. Need more targeted efforts to overcome local customs perpetuating the exclusion of women & dalits
6. Promotion of reverse tenancy may not increase productivity (small farms can be as efficient as large ones)
7. Experiences of AP show need to repeal long-term tenants’ right to acquire ownership to register tenants
8. Pre-leasing reform status quo persists in AP & UP; largely due to poor awareness
9. Status of implementation information sharing by states needs improvement
2.4 Land (Tenancy) Record Reform: Need and Challenges

1. Maintenance of land records with tenancy relations and real time updating absolute necessity to ensure policy reform benefits & agricultural transformation

2. Linkages among land policy reform, land record administration & agric transformation remain poor
   • Need to further advance digitization of existing spatial land records and link them electronically with textual land records
   • Need to go beyond digitization of existing records to systematically update records digitally (mutation & resurvey)
   • Need to ensure land records better reflect women’s land rights

3. Leasing documentation
   • Varies by state (RTC vs. RoR; Land Record vs. Land Holding)
   • Involves multiple agencies (Agric. Dept. vs. Revenue Dept.)
   • Remains a low priority for state govts, with data collected primarily for statistical purposes (Ag Census, NSSO)

4. Existing govt. initiatives unlikely to record lease agreements centrally
   • Digital India Land Records Modernization Programme (DILRMP) implemented using states’ existing land record protocols
   • Model Agricultural Land Leasing Act currently recommends against recording leases in states’ land records (RoR)

5. Streamlining land record updating can increase scale & speed but may compromise inclusion
   • e.g. LRUP in Telangana
3. Inclusion of Women & Dalits in the Land Policy Reforms
3.1 Women’s Land Rights

1. Constitute 65 percent of all agricultural workers but only 13.9 percent of all landholders with formally recorded land rights

2. Their inclusion in land records/ag. schemes is critical given their contribution, number and dependency, but remains poor due to structural & cultural barriers
   • Structural: viz. Land Records do not include sex-disaggregated ownership data
   • Cultural: viz. families do not allow women to acquire/inherit land

3. Non-recognition of women as farmers in spite of massive feminization of farming
   • Definition of a farmer linked to land ownership, and women often lack formal land rights

4. Promising initiatives to strengthen women’s land rights (WLR)
   • Joint-titling in land grants & Forest Rights Act
   • Stamp duty subsidy/waiver for land records updates involving female owners
   • West Bengal Landesa-State Rural Livelihoods Mission pilot to train self SHGs to record WLR
   • Hindu Succession Act amendment allows females to inherit equally
   • Recognition of females as separate unit for resettlement & rehabilitation in case of land acquisition
3.2 Dalit Land Rights

1. Dalits also face significant barriers to agricultural land access and ownership linked to caste and power relations, resulting in low levels of land access and ownership
   a. Almost 60% of Dalit households did not own any farmland in 2013.
   b. Nearly 70% of Dalit farmers are labourers on farms owned by others.
   c. Own only 9% of cultivable land; nearly 61% of their parcels are < 2 hectares.
   d. Dalit beneficiaries of earlier land redistribution reforms unable to occupy their land.
   e. Dalits typically are also found to pay higher prices for land and are usually not sold “high-quality land” near irrigation canals.
   f. The extent of tenancy is relatively high among Scheduled Castes (18.3 percent).

2. Promising initiatives to strengthen dalit land rights
   a. “Operation giving possession’ in Bihar
   b. Better implementation of land reform in West Bengal
   c. ‘Land purchase scheme’ in Telangana
4. Inclusion of Tenants in Agricultural & Rural Development (ARD) Schemes
4.1 Relevance of Land Records to Scheme Eligibility and Impacts

1. Agriculture services and entitlements are often linked to land ownership
   • Farmer income support initiatives increasingly moving towards direct benefit transfers (DBT) linked to digitized identity & land rights records
   • Farmer Producer Organization registration requires proof of land ownership (formal land record)
   • Collateralized agricultural loans (linked to insurance) also require proof of land ownership

2. Women and tenant/landless farmers are thus often ineligible for agricultural services and benefits due to their lack of formally recorded land rights

3. Study analysed eligibility criteria for selected schemes to assess inclusion of tenants among the targeted and actual beneficiaries and to understand the challenges that informal, unrecorded land rights pose for scheme objectives
4.2 Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)

1. Program Design/Objectives
   • Central DBT to Small and Marginal Farmers (SMF) households that collectively own up to 2 ha
   • Supports the financial needs of SMF to ensure crop health and achieve good yields

2. Inclusion of Eligibility Criteria and Program Reach
   • States identify eligible SMF based on their Land Records (LR)
     → Tenants excluded, as most states ban/do not record tenancy in LR
     → State land records track individual parcels/landholders, not households (Thomas et al 2019)
   • In absence of recorded tenancy rights, difficult to reconcile different farmer estimates
     • 125 million based on Ag Census Data vs. 119 mn based on Census of India occupation data
     • Some 96 million beneficiaries reached so far (only landowners)

3. Recommendations
   1. Formal recording of tenancy & digital connection of databases required (DILRMP, DBT, Census)
   2. Suggest involving Local Panchayati Raj Institutions (PRI) to register tenants
4.3 National Rural Livelihood Mission/Mahila Kisan Shasaktikaran Priyojana (NRLM/MKSP)

1. Program Design/Objectives
   a. Empower women engaged in agriculture, livestock, non-timber forest products, and allied activities by helping them establish productive business enterprises
   b. Enhance women’s access to credit & financial inclusion of women’s SHGs (at the group level)

2. Impact on Women’s Individual Financial Inclusion
   a. Limited due to their lack of collateral in absence of LR, beyond a limit
   b. Women’s (and tenants’) access to FPO restricted by lack of LR

3. Recommendations
   a. Support recognition of women, including landless, as farmers by society and govt.
   b. Increase women farmers’ access to productive land through ownership/joint title.
   c. Train SHGs and paralegals to enable women to formally register their land rights.
4.3 Krushak Assistance for Livelihood and Income Augmentation (KALIA)

1. Program Design/Objectives
   a. State-level DBT to SMF, landless agricultural laborers, and sharecroppers in Odisha
   b. Aims to reduce farmer distress and ensure financial discipline

2. Inclusion in Eligibility Criteria and Program Reach
   a. Unlike other DBTs, tenants/sharecroppers/landless farmers explicitly included in scheme
   b. Innovative use of technology (incl. machine learning/artificial intelligence) to collate data across multiple datasets & local institutions to identify eligible beneficiaries
   c. Widespread public education campaigns to ensure eligible beneficiaries aware of scheme
   d. Up to 1.5 million sharecroppers and landless farmers benefitted (out of estimated 5 million)
      • Identification based on paddy procurement database, which requires landlord consent

3. Recommendations
   a. Revise legal framework to provide legal recognition of sharecroppers
4.4 Rythu Bandhu Scheme (RBS)

1. Program Design/Objectives
   a. First large-scale state-level DBT scheme targeting farmers in India
   b. Area-based cash transfer to reduce farmer distress in Telangana

2. Inclusion of Eligibility Criteria and Program Reach
   a. Eligibility determined by a streamlined time-bound land records updating process (LRUP) for landowners led by the Revenue Department
   b. Excludes tenants due to reliance on LRUP results, even though Agric. Dept. completed a survey to register cultivators and crops around this same time
   c. Overall coverage good: 69% of eligible beneficiaries received 1st payment & 83% in second
   d. Concerns re: over-inclusion of ineligible beneficiaries/surplus area and exclusion of eligible beneficiaries based on comparison of RBS database with land records (Thomas et al 2019)

3. Recommendations
   a. Use the Agric. Dept.’s updated tenancy and crop database to include tenants in the scheme
   b. Share LRUP lessons with other states/Centre to improve DBT targeting
5. Conclusions & Recommendations
## 5.1 Overview of Policy Issues by Tenancy/Farming System

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<tr>
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<th><strong>Subsistence</strong></th>
<th><strong>Commercial</strong></th>
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<tbody>
<tr>
<td><strong>Risk/Return</strong></td>
<td>Higher risk, low return</td>
<td>Lower risk, high return</td>
</tr>
<tr>
<td><strong>Farming System</strong></td>
<td>Rainfed, low inputs</td>
<td>Irrigated, high inputs</td>
</tr>
<tr>
<td><strong>Marketing System</strong></td>
<td>Less developed marketing</td>
<td>Well-developed value chains</td>
</tr>
<tr>
<td><strong>Tenant Profile</strong></td>
<td>Small &amp; marginal farmers</td>
<td>Semi-medium to large farmers</td>
</tr>
<tr>
<td><strong>Rent Payment</strong></td>
<td>Share of produce</td>
<td>Fixed (produce or cash)</td>
</tr>
<tr>
<td><strong>Tenancy &amp; Agric Devt Issues</strong></td>
<td>Limited arable land access and access to ag. sector benefits and services</td>
<td>Higher than optimal fallow levels and lower than optimal levels of investment in non-farming</td>
</tr>
<tr>
<td><strong>Policy Objectives</strong></td>
<td>Increase access to ag. land and ag/rural devt. benefits, increase capital investment</td>
<td>Reduce fallowed land, facilitate increased off-farm investment</td>
</tr>
<tr>
<td><strong>Policy Options</strong></td>
<td><em>Short-term:</em> Register tenants to enable access to benefits</td>
<td><em>Short-term:</em> Repeal contradictory provisions and raise awareness</td>
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<td></td>
<td><em>Long-term:</em> Register leases and formalize lease markets</td>
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5.2 Leasing Policy Reform Framework

Policy Impact: Inclusive Agricultural Growth
- Terms of Tenancy
  - Agric. Status, - Farm Size, + Fallow

Policy Impact: Agricultural Transformation
- Terms of Tenancy
  - Agric. Status, + Farm Size, - Fallow

Policy Focus: Increase SMF tenants’ access to ag. benefits and ability to invest
- More Fallow
- Share cropper

Policy Focus: Facilitate legal lease markets to decrease fallowed land, increase tenants’ capital investment
- Less Secure Lease Terms:
  - Produce shared while tenants bear production risk; Short duration, informal contract; Contract not recorded

Tenancy Context: State/Region/Village/Type of land
5.3 Recommendations for State Leasing Reforms

1. Adapt to local diversities/contexts; more research to understand and adapt to tenancy informalities
2. Follow a gradual and adaptive approach
3. Revise restrictive tenancy provisions in other laws and ensure supersession of contradictory provisions viz. long-term tenants’ rights to acquire ownership
4. Help adapt tenancy terms to tenants’ needs, especially for landless and SMF
5. Invest in robust public information and education campaigns
6. Involve PRIs in implementation and dispute resolution
7. Complement land leasing reforms with strategies to better regulate land falling, the transfer of cultivable land to other uses (e.g. residential/urban), and contract farming
8. Develop a Land Lease Database System
9. Complement leasing reforms with broader institutional/market ecosystems for supporting tenants
5.4 Increasing Inclusion in ARD Schemes

1. Tenant inclusion in ARD schemes need not wait for comprehensive legal reforms

2. Tenants can also be included in ARD schemes by:
   a. Linking relevant farmer databases that include tenants to improve scheme targeting
   b. Democratizing the land records digitization/updating/validation process by involving PRIs
   c. Recording/updating tenancy relations in Land Records, where laws allow to do so

3. Women farmers can benefit more from ARD schemes through:
   a. Training SHGs/paralegals to help women formally record their land rights based on existing legal and institutional frameworks
   b. Implementing a time-bound program to add women’s names to land records without fees
   c. Improving availability of transparent and sex-disaggregated data on farming and land rights
5.5 Relevance in the COVID-19 Context

1. Improve Inclusion during COVID-19 Response

- Expand PM-KISAN beneficiary database to ensure DBT reaches tenants/landless
  - Digitally merge relevant farmer databases and validate thru PRI; can be done quickly

2. Prevent Land Loss due to COVID-19

- Avoid land grabs in the wake of the disaster
  - Tenants, women, dalits, and others without formal land records at risk of losing land access
  - Update land records to ensure that existing land users’ rights are formally recorded now


- Restart the rural economy
  - Most of the informal migrant workers returning to their villages are also tenants and landless
  - Repeal provisions that discourage leasing to increase landless/marginal farmers’ access to arable land
  - Formalize lease agreements to reduce dispossession risks and increase investment in farming

- Ensure food security
  - Most food producers are tenant farmers, with constrained access to entitlements & finance
  - Register tenants to enhance their access to credit, insurance, quality inputs, FPOs, markets
6. Policy Questions for Discussion
6.1 ROUND 1: Documenting tenancy for inclusive agricultural transformation

Given the lessons learned from India’s historical redistributive land reform experience and impacts, we ask the following questions about the current wave of land leasing reforms:

1. What is the right way to document tenancy (leasing) relations to adequately and regularly capture the *de facto* informalities and integrate these within an adaptive *de jure* framework to ensure a win-win outcome for landlords and tenants?

2. Is formalization of informal tenancy relations possible within the existing land revenue system of land record management, or is a new system building on principles of fit-for-purpose land administration (Enreck et al 2012) called for?
6.2 ROUND 2: Enhancing impact and inclusion of agricultural and rural development schemes

In a digital age, when farmer databases may be alternate solutions to ensure inclusion, we ask:

1. Whether such databases, existing or updated/created rapidly (viz. LRUP in Telangana), can serve as short-term measures to ensure inclusion of tenants and women in ARD schemes?

2. What are key pre-requisites to rapidly and robustly develop such a database?

3. Is the inclusion of tenants in farmer databases sufficient to achieve inclusion in the short term or do tenants’ land use rights also need to be recorded to enable their access to agricultural benefits and services viz. collateralized loans?

4. Which institution (e.g., Panchayati Raj Institutions, Land Revenue Department, Agriculture Department) would be best placed to maintain such a database?
Thank You for Your Attention!

Any Questions?