## Examination of Status of Women Farmers as Land Owners in the State of West Bengal

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Abstract-Gender equity has long been at the heart of inheritance law, yet gender prejudice remains, and discrepancies in succession law for land rights abound in underdeveloped nations. The prevalence of bias against women's property ownership can severely limit their position in the family and community, as well as their economic and professional options. It can also deprive rural women of incentives and capacity to participate in agricultural output, lowering their wages and restricting their involvement or influence in family activities or choices (Roy and Tisdell 2002). Furthermore, women's lack of land ownership impacts their social standing, forcing patriarchal attitudes on them, and women's position is low within the social strata and inside their families (Roy2008). Thus, land rights equity is widely advocated as a women empowerment tool to spur development outcomes (Mishra and Sam 2016; Montenegro, Mohapatra, and Swallow 2016; Wiig 2013).

## Land Inheritance by the girl child: Background

The land is the most valuable asset in rural communities, and the most common way to obtain it is through inheritance. Land ownership by women is critical to ensuring their empowerment and welfare in accordance with the United Nations Sustainable Development Goals (SDG), and many governments have strengthened their land registration regulations to protect women's land rights (Deininger et al. 2014; Deininger, Goyal, and Nagarajan 2013; Deininger, Ali, and Yamano 2008).

Secure property rights are seen as a pillar of economic prosperity. Land rights are particularly important in developing countries where large fractions of the population are dependent upon agriculture. Land

reform influenced a billion people and approximately as many hectares between 1955 and 2000 (Lipton, 2009). Previous research demonstrates the importance of land security in increasing agricultural productivity, facilitating access to credit, and reducing poverty and cross-household asset inequality (Besley and Ghatak (2010); Besley et al. (2012); Goldstein and Udry (2008); Hornbeck 2010). However, where land rights are heritable, and primarily inherited by sons, land reform may exacerbate an underlying preference for increase sons and thereby within-household inequality.

While male-biased land rights have been identified as a contributing factor to son preference in India and elsewhere, there have been limited chances to analyse changes in the land right. In this article, we will try to attempt to analyse changes in the exercise of son preference in response to changes in intergenerationally transferable (male-biased) land rights. We take use of variations in land rights caused by Operation Barga, a hallmark tenancy reform in the Indian state of West Bengal, which has previously been shown to boost agricultural output and farm incomes (Banerjee, et al., 2002). We find a significant intensification of gender inequality, captured by the sex ratio at age one among children of second or higher order. This is only evident in households in which the first birth is a girl, households in which it becomes especially important to have a son (Abrevaya, 2009; Bhalotra & Cochrane, 2010).<sup>2</sup>

A common pattern in patrilineal societies is that daughters take their bequest at marriage as dowry and marry some distance from their natal home (Guner,

3696/ewp-559-women-land-title-ownershipempowerment.pdf, last visited on 14<sup>th</sup> Feb 2022 https://ftp.iza.org/dp9930.pdf accessed on 07/01/22

https://www.adb.org/sites/default/files/publication/45

1999; Rosenzweig & Wolpin, 1985), while sons tend to co-reside with parents, work on the land, and subsequently inherit it. Indeed, Botticini & Siow (2003) postulate that a rationale for the origin and persistence of these arrangements is that they incentivize sons to work on the father's land, contributing to wealth creation as well as old-age security. Primogeniture or the practice that the first son has the first command over ancestral land makes the first son particularly important. Overall, it is conceivable that gaining heritable title to land increased tenant farmers' desire for a son.<sup>3</sup>

The Hindu Succession Amendment Act (HSAA) of 2005 was passed by the Indian government, ensuring that men and women have an equal share of ancestral property. Since land tenure rights in India were significantly prejudiced against women prior to 2005, this was a huge step toward gender equality (Agarwal 1994a). Previous research has revealed that women's chances of inheriting land have increased slightly, but that there is still a large gender bias (Deininger, Goyal, and Nagarajan 2013; Roy 2008, 2015; Bose and Das 2017).

In the recent popular press, two significant causes for the glaring unequal allocation of land to Indian women have been proposed (Mohan 2017).

First, personal religious law affects property ownership, which is under state jurisdiction and is not governed by the constitution, which provides fundamental rights of equality to all people, and hence inheritance rights tend to discriminate against women. Second, the deep-rooted cultural mindset of India's patriarchal society prevents women from owning land. There is research that looks into the link between land ownership and women's empowerment. For example, household data from Landesa's Nijo Griha, Nijo Bhumi programme in West Bengal was used by Santos et al. (2014).

They discovered that women's land title ownership was connected to their participation in agricultural land use decisions and the purchasing of productive assets. Roy(2008) used household data in India and

discovered that women's inheritance rights boost their autonomy inside their married households. However, we know very little about the consequences of women's land title ownership on their family status.<sup>4</sup>

## **Operation Barga: Its Impact on women farmers**

Land reform is commonly used to refer to the transfer of land from the affluent to the poor. More broadly, it governs land ownership, operation, leasing, sales, and inheritance. There are compelling economic and political justifications for land reform in an agricultural economy like India, where land is scarce and unequally distributed, and a considerable portion of the rural population lives below the poverty line. Not a surprise, it was given high importance on the policy agenda during India's independence in 1947.5 India passed a considerable corpus of land reform laws in the decades after independence. The 1949 Constitution delegated to state governments the adoption and implementation of land and tenancy reforms. This led to much variation in the execution of these reforms across states Land reform legislation in India consisted of four main categories—tenancy reform, abolition of intermediaries, land ceiling, and land consolidation. Tenancy reform, the first type of land reform, enforced regulations that tried to ameliorate the contractual terms faced by tenants, such as crop shares and security of tenure. Large feudal landowners (zamindars) obtained the power to collect tributes from peasants in exchange for a land tax paid to the state under the British land revenue system. At the time of independence, this system covered about half of the area. This arrangement was seen as exploitative, and the elimination of middlemen was intended to limit the influence of these wealthy landowners by putting the cultivator of the land in direct touch with the government, minimising unfair extraction of excess by the landlord. The third type of land reform was the installation of a landholding ceiling in order to allocate surplus land to the landless. Finally, landholding consolidation was the fourth type

https://www.adb.org/sites/default/files/publication/45 3696/ewp-559-women-land-title-ownershipempowerment.pdf, last visited on 22<sup>nd</sup> March 2023

 $<sup>^{3}</sup>$  <u>https://ftp.iza.org/dp9930.pdf</u>, last visited on 12/07/2022

<sup>&</sup>lt;sup>5</sup> Ghatak, Maitreesh & Roy, Sanchari. (2007). Land Reform and Agricultural Productivity in India: A Review of the Evidence. Oxford Review of Economic Policy. 23. 251-269. 10.1093/oxrep/grm017, last visited on 24<sup>th</sup> April 2023

of land reform, ensuring that small pieces of land belonging to the same small landowner but located some distance apart might be combined into a single holding to increase viability and production. Because of variations in land quality across plots, this measure has been difficult to implement.

The elimination of intermediaries is often regarded as one of the most successful aspects of land reform. In terms of the other components, the record is mixed, varying among states and over time. For example, just 1.7 per cent of the total farmed area has been designated surplus under the ceiling law, and only 1% of that has been allocated (Misra and Puri, 2000). Landowners fought the reforms with political clout as well as various methods of evasion and coercion, such as registering their own land under the names of different relatives to avoid the ceiling, relocating tenants to different plots of land to avoid acquiring incumbency rights as stipulated in the tenancy law, and possibly outright eviction.<sup>7</sup>

Land reforms in India are generally regarded as a disastrous experience. For example, the Planning Commission of India's Task Force on Agrarian Relations reported in 1973 that land reforms in India had failed to bring about the required changes in the agrarian structure: 'The programs of land reform adopted since Independence have failed to bring about the required changes in the agrarian structure.' The report directly faults state governments' political will for the failure:

The huge gaps between policy and legislation, as well as between law and its implementation, reflect a lack of political will. Since Independence, no field of public action in our country has had a greater gap between theory and practise, between policy announcements and real implementation, than land reforms. West Bengal and Kerala are the two states where land reform is commonly believed to have been effective, and both were pushed forward by left-wing governments. Despite having only 7.05 and 2.31 percent of India's population, these two states accounted for 11.75 and 22.88 percent of the total number of tenants given ownership rights (or protected

Land reform law in India appears to have had a negative and considerable impact on agricultural productivity. However, this masks significant variance across land reform types as well as across states. Landceiling legislation appears to be the main driver of this negative effect when broken down by kind of land reform. Tenancy reform, on the other hand, has a negligible effect when averaged across all states. The negative association between land reform and productivity does not exist in West Bengal, one of the few states where tenancy regulations were strictly enforced. More broadly, there appears to be a wide variety of state-specific effects, implying that relying on average treatment effects can mask a lot of heterogeneity. Finally, excluding West Bengal, tenancy reform appears to have increased the disparity of operational holdings in India, implying that

rights) up to 2000. (Government of India, 2000). Despite accounting for only around 3% of India's land resources, West Bengal's portion of total surplus land distributed was about 20% of the all-India amount (Government of India, 2000), (Govt. of India, Ministry of Agriculture (MoA)). Despite this consensus, there have been few rigorous attempts to evaluate the impact of land reforms until lately. This is unsurprising, given the substantial conceptual challenges that come with attempting to quantify the impact of land reform. For example, the amount of land directly affected by the reform is not an appropriate measure of its success: measures may be taken in anticipation of or in response to the reform (e.g., eviction of tenants, or land sales), and their impact must be taken into account when studying the reform's aggregate effects. Land reform implementation is also likely to be linked to other government policies and economic trends, which in turn are linked to outcome indicators of interest like agricultural productivity and poverty. This makes inferring causality difficult. We evaluate and contribute to the empirical literature on the impact of land reform on agricultural productivity, with a particular focus on this problem and, more broadly, on understanding the process by which the intervention works its way through the system.

<sup>&</sup>lt;sup>6</sup> See Joshi (1975) for a discussion of land-reform legislation in India and its implementation. See also Besley and Burgess (2000), who provide a systematic description of these laws and their amendments that were passed in individual states over time

<sup>&</sup>lt;sup>7</sup> Often, such eviction was euphemistically referred to as 'voluntary surrender', although in most cases they were anything but voluntary

landlords may be evicting tenants in other states where tenancy reform has been poorly implemented in anticipation of the new tenancy regulations.

In India, land reform policy was designed to achieve two distinct goals:

The first step is to remove any obstructions to increased agricultural productivity that come as a result of the agrarian system that has been passed down from generation to generation. This should contribute to the creation of conditions that will allow an agricultural economy with high levels of efficiency and production to develop as quickly as feasible. The second goal, which is closely connected to the first, is to eradicate all aspects of exploitation and social injustice from the agricultural system, to protect the security of the land tiller, and to ensure that all segments of rural people have equal status and opportunity. (Government of India, 1961) Because it is necessary to ensure that everyone has access to a minimum amount of land in a land-scarce country, particularly one where a significant portion of the rural population lives below the poverty line, the case for ensuring that everyone has access to a minimum amount of land appears compelling from an equity standpoint. However, this is a general argument in favour of redistribution, not necessarily in the form of money transfer (i.e. land). The economic mechanisms that influence the distribution of land and labour must be comprehended in order to make this argument effective. Indeed, it is explicitly stated in the plan documents that the equality and efficiency arguments in favour of land reform are intertwined as a result of the limits imposed by the agrarian structure that has been passed down from generation to generation.

We will start with a few empirical observations. For starters, small farms are more productive than large farms on a per capita basis. According to Banerjee (1999), who conducted an extensive assessment of the literature, this inverse farm-size productivity link is well documented. Additionally, plots of land under owner cultivation are more productive than plots of land under sharecropping tenancy, which is an empirical fact that has been seen over time (Shaban, 1987).

If the above findings are taken into account, one may create a case in favour of land reform that is based not just on equality issues but also on efficiency factors. In light of, for example, the inverse link between farm size and production, land reform may be able to increase productivity by dividing (less productive) large farms into multiple (more productive) small farms. In addition, lower productivity during sharecropping shows that land reform could increase production by transforming sharecroppers into owner-cultivators, which would result in higher output overall.

However, this raises the question of what is preventing market forces from eliminating the asymmetry and inefficiency that have resulted from it. The claim that the inverse farm-size production relationship is driven by diminishing returns is unsatisfactory because it implies that land cannot be sold or rented. Consider the following scenario: If a little farmer is more productive than a large farmer, then the latter would benefit by leasing some land to the former. In a similar vein, if sharecropping is inefficient in comparison to owner-cultivation, a landlord should sell the property to the sharecropper in order to convert him into an owner-cultivator and receive a share of the productivity benefits that arise from this conversion.

A plausible explanation for these facts must, without a doubt, be based on some frictions in the operation of the land market, or on some other input that is relevant to agricultural production. Otherwise, the large bad landlord can become even worse by adopting a system of land distribution that results in a higher surplus of surplus land than before. There must be some failure of the Coase theorem (for example, due to knowledge asymmetries or transaction costs), and so efficiency considerations and distributional considerations cannot be separated from one another.

Both of these facts can be explained primarily in terms of incentives, which is a popular argument. A small farmer cultivates his land with his own and his family's labour, whereas a large landowner employs hired labour, which provides less motivation to put in the necessary work. In a similar vein, a sharecropper is subject to an effective income tax rate of 50 per cent. As a result, she earns less per cent (the most usually observed sharing rule in the absence of tenancy legislation is 50:50) and puts in less work. A more fundamental concern is raised by this: why aren't these parties able to draught contracts that eliminate the incentive problem?

Some inputs, such as human work and land care and upkeep, are intrinsically difficult to track and measure, which is a significant assumption in this case. The parties supplying these inputs will, as a result,

undersupply these inputs unless they are full residual claimants (i.e., are entitled to receive 100 per cent of the profits).

A fixed-rent contract might be offered by a landowner. According to this arrangement, the landlord receives a fixed charge and the renter retains all residual earnings. Even if everyone resided for a single length of time, this would be the equivalent of selling the property to the tenant. It is possible that, even though this contractual arrangement would be efficient, it is not in the best interests of the landlord to enter into one if the tenant is indigent.

Consider the following straightforward illustration. Assume that, due to the scarcity of land, the fixed fee that would persuade a landlord to lease out a certain parcel of land is Rs 100. However, because the tenant is impoverished and does not have sufficient liquid assets, he may not be able to pay the rent up front or promise that he would pay the rent regardless of whether the production is high or low in quality. A guaranteed fixed rent of Rs 50 per month may be within his financial reach. Because he expects to receive a larger rent, it is in the landlord's best interest to demand a portion of the output, even if doing so reduces effort. He would not, however, demand a disproportionately large percentage of output because, at some time, reduced effort would begin to lower his projected rent. (If you think about it, it's similar to the Laffer curve in the context of income taxes: if tax rates are too high, decreasing taxes may actually enhance revenue by increasing the supply of labour.)

This trade-off between rent extraction and incentives (for a formal analysis, see Mookherjee (1997) and Banerjee et al. (2002)) may account for the persistence of inefficiency in the land market, as demonstrated by Mookherjee et al. (2002). As a result, both the stylized facts indicated above, and the fact that market forces will not definitely eliminate the projected productivity losses, would be explained. However, there are a variety of other instruments that the landlord can use to mitigate the loss of efficiency, such as interlinked credit and tenancy contracts (see, for example, Braverman and Stiglitz, 1982), and eviction threats as an incentive device (see, for example, Bardhan, 1984; Dutta and Stiglitz, 1989; Banerjee et al., 2002; Banerjee and Ghatak, 2004), but the landlord will still have a problem if the tenant doesn't have enough money to make fixed-rental contracts appealing to him.

If this is a widespread problem in underdeveloped nations, where tenants are often poor and have little financial resources, tenancy reform can help to alleviate the situation by regulating components of the tenancy relationship, such as the crop share and the length of the contract (security of tenure). Increasing the negotiating power of tenants in their dealings with landowners is the goal of tenancy reform. Given that the trade-off between rent extraction and incentive provision is at the root of the loss of efficiency in tenancy, any strategy that increases the bargaining power of tenants or, conversely, reduces the ability of landowners to extract rents will raise the possibility of increased efficiency.

However, if the observed changes in farmer quality or land quality are due solely to unobserved fluctuations in farmer quality or land quality, the efficiency case for land reform is undermined. Because of this, land reform will not increase average productivity unless there are other frictions present, such as those mentioned above. For example, higher-ability farmers prefer to cultivate smaller plots of land rather than being compelled to do so, and landowners prefer to lease lower-quality plots to sharecroppers. The data from Rosenzweig and Binswanger (1993) on farm size and productivity, as well as Shaban (1987) on sharecropping, imply that these factual facts are not solely driven by variation in farmer quality or land quality, as some have argued. Using the case of Shaban (1987), he discovers that after adjusting for land quality, the same farmer puts in less effort on plots of land that he cultivates as a sharecropper when compared with plots of land that he cultivates as an owner-cultivator. Even if they fall short of outright land transfer, these measures will improve efficiency while still contributing to the goal of equity.

It is important to distinguish between land reform and tenancy reform in this context. Land reform in this context refers to the outright transfer of land from the landlord to the tenant, whereas tenancy reform governs aspects of the tenancy relationship, as mentioned above, in the framework of a rental agreement. Clearly, land reform, when correctly executed, eliminates the expenditures associated with the agencies stated above. However, the improvements in productivity will be limited to the extent that there are defects in the market for other inputs, such as loans. Furthermore, significant land reforms are extremely difficult to put into effect from a political standpoint.

In addition to political obstacles, there is a fundamental constraint in a country with a scarcity of available land such as India. As Sharma (1994) demonstrates, even if land limitations are fully imposed and all surplus land is allocated to the landless, the result of such an operation will be exceedingly modest holdings for the majority of the population. This will not make much of a difference in terms of poverty, and it is likely to have a negative impact on productivity. Sharma suggests that concentrating efforts on carefully executing tenancy reform, similar to what has been done in Kerala and West Bengal, might be a more effective strategy overall

However, there will very certainly be some expenses associated with tenancy reform. It is possible that landowners' incentives to lease out their land will be reduced as a result of the regulation of tenancy through the provision of security of tenure. Actually, a cross-state review of Indian tenant laws conducted by Conning and Robinson (2007) found that tenant laws lowered the extent to which tenancy was practiced. As a result, poorly implemented tenancy reform legislation is likely to be a major source of concern because it would have a negative impact on the land-lease market while at the same time, only a portion of the positive incentive effect on tenants would be realized, leaving the overall impact theoretically uncertain.

Land-reform legislation, rather than implementation, is the vardstick by which land reform is measured. As a result of the widely acknowledged disparity between the two, one source of concern is that, as discussed in the previous section, poorly implemented tenancy reform may have a net negative effect on productivity by preventing the expansion of the land-lease market, even though it may improve the productivity and income of some tenants. According to Banerjee et al. (2002a), a study focusing on West Bengal, a state where tenancy reforms were implemented in a systematic manner, comes to a completely different conclusion: tenancy reforms increased agricultural productivity. Within a year of taking office in 1977, the left-wing administration started Operation Barga, a program meant to execute and enforce the country's long-dormant agricultural tenancy laws, which regulated rents and provided sharecroppers with secure tenure. Tenants who registered with the Department of Land Revenue after

the passing of this legislation would be entitled to permanent and inheritable tenure on the land they sharecropped, providing they paid the landlord a minimum of 25% of their production in rent. Ten years after the commencement of Operation Barga, there has been a major improvement in the terms of renters' contracts, as well as a greater sense of security over their stay. This reform's impact on agricultural productivity has been estimated using two different approaches, both of which are described below. One of the strategies used by the researchers is to compare the rate of productivity increase in West Bengal districts with the rate of productivity growth in Bangladesh districts, which is a neighboring country. With the exception of religion and political boundaries, the two regions are strikingly similar to one another in almost every aspect of their lives. The similarity in agro-climatic conditions, the prevalence of tenancy, and agricultural technology across the two regions makes it realistic to expect technological shocks to agricultural productivity in both areas. Farmers in both regions (as well as in much of eastern India) saw increases in agricultural productivity during this time period, in part because the Green Revolution arrived later than expected. This was made possible by the spread of a locally-adapted high-yield variety (HYV) of rice, a drop in the price of fertilizers, and an increase in small-scale private irrigation (as in much of eastern India). Despite the fact that HYV rice adoption was faster in Bangladesh than in West Bengal, conclude that the rate of growth in rice production in West Bengal was greater despite the fact that HYV rice adoption was faster in Bangladesh. These differences are assumed to be the result of the enactment of a tenancy reform law in 2011. It is important to note that there are two problems with this way of thinking. In the first place, there have been some concerns that changes in the data-collection method for agricultural production have taken place under the new administration, which could have artificially enhanced West Bengal's performance when compared to Bangladesh's growth performance. Also during this period, a number of other policy reforms were enacted in West Bengal, including the decentralization of various public programs, and it is possible that this strategy is picking up on the repercussions of these other policies.

Because of bureaucratic squabbles, the second tactic exploits the fact that this reform was implemented at

varying speeds in different districts of West Bengal, resulting in disparities in outcomes. Fluctuations in the pace of implementation of this plan (as assessed by the percentage of sharecroppers enrolled under the scheme) might be linked to exogenous changes in the availability of a new contractual regime in a specific location. As a result, districts that received the program earlier are referred to as "treatment" districts, whilst districts that received the program later are referred to as "control." A number of other policy and economic variables that occurred throughout the period during which the program was implemented are taken into account, and it is determined that the reform is responsible for the rise in productivity that resulted. Because it examines inter-district variation in agricultural productivity rather than intra-district variation, it is unlikely that this approach will be influenced by concerns about any possible upward bias in the level of agricultural productivity as a result of changes in data-collection methods in the future. Furthermore, it is relevant because it evaluates disparities in the harshness with which tenancy reform is implemented, among other things. It is less likely to pick up on the effects of other programs than it was previously.

If the purpose of a study is to determine the effect of tenancy reform on agricultural productivity, this approach gives results that are similar to those produced by the previous approach, suggesting that the reform had a positive impact on agricultural output. To summarize, the findings of the research mentioned above indicate that tenancy reform had a positive direct impact on tenants who were directly affected by it; however, the indirect consequences of this reform on the rural land market and, as a result, on productivity are less obvious than the direct consequences.