

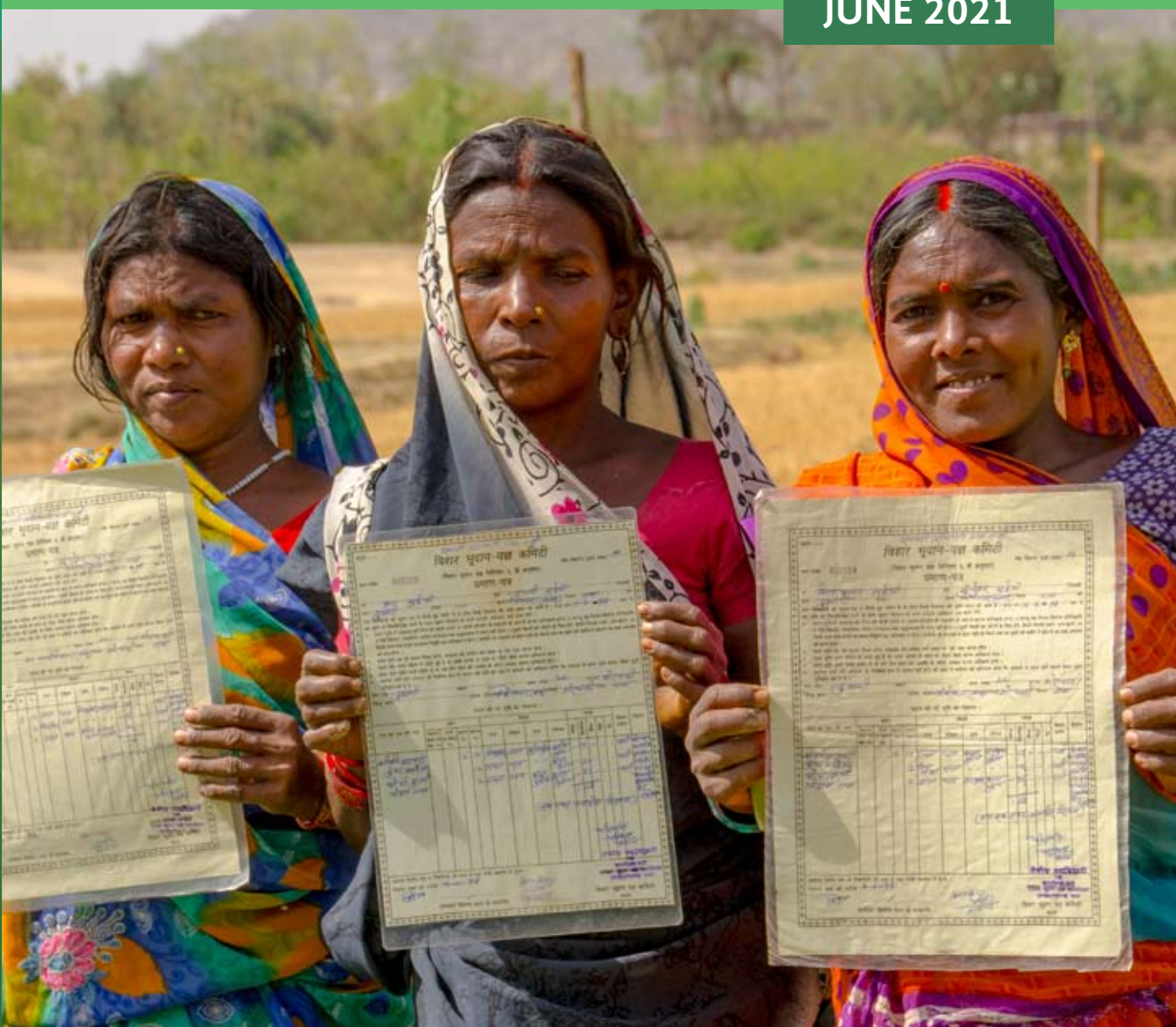
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South Asia Agriculture and Rural Growth Discussion Note Series

Strategies to Increase Poor Farmers' Access to Land and Related Benefits in India

AGRICULTURAL LAND LEASING REFORM IN INDIA

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Photo credit: Tyler Roush – Landesa



This discussion note summarizes India's efforts to strengthen the land rights of poor and vulnerable farmers through land leasing reform and provides recommendations to ensure that tenant, women, and Dalit farmers can contribute fully to India's agricultural transformation.

1. OVERVIEW

Context

- Soon after Independence, most states introduced redistributive land reforms that restricted agricultural land leasing (tenancy), ranging from a complete ban to restrictions on the kinds of landowners eligible to lease out their land and/or the lease terms.
- These reforms included provisions intended to strengthen tenants' land rights that have acted as implicit restrictions on land leasing, such as prohibitions against evicting tenants for any reason other than non-payment of rent and provisions that allow tenants to acquire ownership rights, typically by purchasing the land for less than market value.
- Despite these restrictions, land leasing remains a key land access strategy, especially for poor farmers. Across India, almost 14 percent, or nearly 21.3 million rural households (mostly small and marginal farmers operating less than 2 ha), reported leasing in land in 2013 as per the National Sample Survey Office (NSSO) Land and Livestock Holdings Survey.
- Rather than strengthening tenants' rights, tenancy restrictions have reduced tenants' tenure security and limited their access to public agricultural services. To avoid losing their land rights, landlords prefer short-term leases that are not formally registered. As a result, only 13 percent of the leased-in area was registered in 2012-13.
- This leaves tenants vulnerable to arbitrary eviction and less willing to invest in sustainable land management. Furthermore, since central and state agriculture support programs increasingly use land records to identify eligible beneficiaries, tenants and other farmers without land (ownership) records in their names are less able to access these programs.
- Women and *Dalit* farmers face additional barriers to accessing farmland, obtaining formal land records, being recognized as farmers, and accessing public support for farmers.

Contemporary Land Leasing Reform

- There is growing consensus on the need to remove tenancy restrictions and legalize agricultural land leasing "to promote agricultural efficiency, equity and poverty reduction," and the NITI Aayog has developed a Model Agricultural Land Leasing Act to encourage states to reform their land tenancy policies¹.
- Several states have introduced amendments or new laws to reform agricultural land leasing, while the reform process is still underway in others. Andhra Pradesh's earlier experience with the Licensed Cultivators Act (2011) suggests that efforts to register tenants are unlikely to succeed without comprehensive legal reforms to repeal leasing restrictions and strengthen the land rights of both landowners and tenant farmers.
- Land records reform is an essential requirement for effective land leasing reform. Most states only record land ownership rights in the land records (Record of Rights or RoR), leaving out land use rights, such as tenancies. Thus, although the central government has recognized land records modernization under the Digital India Land Records Modernization Programme (DILRMP) as key to doubling farmers' income, the desired impacts may not be fully achieved unless tenants' (long-term) land use rights are recorded in the land records.

¹ Government of India. 2016. Report of the Expert Committee on Land Leasing, NITI Aayog, March 31, 2016. Accessed 17 May 2021 at: <http://niti.gov.in/sites/default/files/2020-05/Report-of-the-Expert-Committee-and-Model-Law-on-Agricultural-Land-Leasing.pdf>.

Key Recommendations

- I. Support policy dialogues and public education campaigns to share lessons learned and build consensus on the objectives and content of contemporary land leasing reforms.
- II. Provide technical and financial assistance to help states adopt and implement land leasing reforms that repeal restrictive tenancy provisions and ensure the interests of small and marginal farmers (as both tenants and landlords) are protected.
- III. Adopt a locally adapted approach to land leasing reform that ensures inclusion of women and *Dalit* farmers.
- IV. Undertake time-bound initiatives to update the RoR through the DILRMP—including by registering the land (use) rights of tenants, women, and *Dalits*—to ensure universal farmer access to agricultural entitlements and facilitate a legal leasing market.
- V. Provide technical assistance to help vulnerable farmers negotiate suitable lease terms and access existing agriculture and rural development support programs.

2. INTRODUCTION

- 1 **The Government of India has committed to double farmers' income by 2022.** A key strategy to achieve this target is agricultural transformation, which includes adoption of high value crops, mechanization, optimal external input use, and enhanced market linkages through value chain development and collectivization (farmer producer organizations). As central and state government support for farmers is increasingly linked to state land records, which typically only record land ownership rights, millions of poor and vulnerable farmers that lack land ownership records in their names—including landless² farmers cultivating as tenants, women farmers, and *Dalit* farmers—are unable to fully take advantage of this public support. As such, India's agricultural transformation agenda risks leaving behind these vulnerable farmers that are most in need of public support.
- 2 **Given that land is a key factor underpinning agricultural production and that farmers are characterized and recognized by their land tenure status in India, agricultural transformation is inherently and intimately linked with land governance.** Despite these connections between agriculture and land,

2 Rural households who do not own any farmland but are engaged in farming, either as agricultural wage laborers, sharecroppers (who provide labor on another person's farm in exchange for a crop share), or tenants (who have temporary land use rights from the landowner to manage a farm in exchange for cash/in kind rent).

they are administered separately, thus undermining effective policy decisions and imperative institutional coordination. The central government has acknowledged the importance of liberalizing agricultural land leasing to the achievement of its doubling farmers' income objective³. As land is a state subject, related reforms must account for centre-state relations and the Indian system of cooperative federalism. The World Bank has therefore initiated the ***Land Policy Reform for Agricultural Transformation in India Study*** to build the shared understanding needed across these sectors to achieve inclusive agricultural transformation in India.

- 3 **This note summarizes the findings of the National Background Paper (NBP) produced under this study.** It provides an overview of agricultural land leasing (also known locally as tenancy) in India along with an analysis of historical tenancy reforms and more recent reforms in Andhra Pradesh, Madhya Pradesh, Maharashtra, Uttarakhand, and Uttar Pradesh in response to the Model Agricultural Land Leasing Act developed by the NITI Aayog in 2016. The paper also assesses the inclusion of tenants, women, and *Dalits*⁴ in flagship agricultural and rural development

3 The 15th Finance Commission recommended that performance-based incentives for states be based on their adoption of land leasing reforms in line with the NITI Aayog Model Agricultural Land Leasing Act as one of four key agriculture sector reforms.

4 Lower caste in Indian caste system, grouped as Scheduled Caste as per Indian Constitution. Literally means 'oppressed', denoting the historical and societal suppression, marginalization, and alienation.

programs supported by the central and state governments in India that rely to varying degrees on farmers' land records to determine program eligibility.

- 4 **The objective of this study overall is to identify the land policy issues holding back agricultural transformation in India and promising policy and institutional reforms and investments to overcome these issues.** While recognizing that land and agriculture are administered separately at the central and state levels, the study aims to highlight the importance of strengthening farmers' land rights to the achievement of key agricultural policy objectives, including India's ambitious national goals to double farmers' income and establish 10,000 farmer producer organizations. To ensure that agricultural transformation in India is inclusive of all farmers, the study is particularly focused on enabling tenants, women, and *Dalit* farmers to access public benefits targeting farmers in the short term and on informing the legal and institutional reforms needed to secure their land rights in the medium term. It is hoped that the results of this research will strengthen existing and future World Bank Group partnerships with central and state governments and contribute to the achievement of inclusive agricultural transformation in India.
- 5 **The overall scope of the study includes:** (i) an assessment of historical and recent land leasing reform policies and laws; (ii) an analysis of the inclusion of tenants, women, and *Dalits* as beneficiaries of flagship central and state agricultural and rural development programs; (iii) documentation of innovations to improve land and agricultural services access for poor and vulnerable farmers; (iv) an analysis of state-level legal and institutional frameworks governing agricultural land in Bihar, Maharashtra, and Odisha; (v) an analysis of land tenure impacts on two agriculture and rural development projects financed by the World Bank; and (vi) recommendations for legal and institutional reforms and interventions at multiple levels that can secure farmers' land tenure and access to public agricultural

support—especially for vulnerable groups, such as tenant farmers, women, and *Dalits*.

6. **The study outputs include:** (i) A National Background Paper, (ii) Three state reports (Odisha, Maharashtra, and Bihar), (iii) Two project reports (National Rural Economic Transformation Project—NRETP in Odisha and State of Maharashtra's Agri-business and Rural Transformation Program—SMART in Maharashtra) and (iv) [Seven case studies](#) of institutional and technological innovations that enhance access to land through leasing and other tenure arrangements for women, tenants, *Dalits*, and members of Scheduled Tribes. These cases have been compiled from [Andhra Pradesh](#), [Gujarat](#), [Kerala](#), [Manipur](#), [Odisha](#) (in [tribal](#) areas and [non-tribal](#) areas), and [West Bengal](#).
- 7 **The remaining sections of this note are as follows:** **Section 3** summarizes India's historical redistributive land reforms and their impacts on contemporary tenancy arrangements and trends, as well as their repercussions for farmers and farming. **Section 4** provides an overview of the Model Agricultural Land Leasing Act, which provides a flexible template for states to legally recognise land leasing contracts. It also takes a comparative look at several states that are at various stages of legislating and implementing leasing reforms in the spirit of the Model Act. **Section 5** underlines the importance of updating land records to reflect current ground realities through the DILRMP and highlights the need to urgently expand this initiative to also incorporate (at least long-term) lease agreements into the Record of Rights. **Section 6** focuses on the structural and cultural barriers faced by women and *Dalit* farmers in obtaining formal land rights, being recognized as farmers, and accessing public support for farmers. It further highlights the proactive measures taken by some states to increase access to land and agricultural entitlements for landless *Dalit* and women farmers. **Section 7** summarizes the extent to which tenants, women, and *Dalit* farmers are included among beneficiaries of several

flagship central and state agriculture and rural development programs. These include Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) and the National Rural Livelihoods Mission (NRLM) at the central level, as well as the Krushak Assistance for Livelihoods and Income Augmentation (KALIA) program in Odisha and the Rythu Bandhu scheme in Telangana. Finally, **Section 8** draws on the findings of the earlier sections and highlights recommendations for a forward-looking leasing reform strategy that ensures the inclusion of tenant, women, and *Dalit* farmers in India's agricultural transformation.

3. HISTORICAL LAND TENANCY REFORMS AND THEIR IMPACTS ON FARMING

8 **At Independence, the Government of India recognized the importance of overcoming a historically semi-feudal land tenure system and strengthening the land rights of farmers, especially the poor.** To this end, most state governments passed various land reform acts aiming to eliminate exploitative agricultural tenancies and prohibit new tenancies except under specific circumstances, such as widowhood. Restrictions on tenancy vary widely across states from a complete ban on agricultural tenancy without exceptions

(in Jammu and Kashmir and Manipur), to restrictions on the kinds of farmers eligible to lease out their land (in Bihar, Himachal Pradesh, Karnataka, Madhya Pradesh, Odisha, Telangana, and Uttar Pradesh), to restrictions on the lease terms (in Rajasthan and Tamil Nadu). Many states also imposed 'land ceilings'—maximum land holding sizes that if exceeded required the landowner to surrender their land to the government for redistribution to the landless poor⁵.

9 **Importantly, these historical land tenancy reforms included provisions intended to strengthen tenants' land rights that have acted as implicit restrictions on land leasing.** These include the creation of protected tenancy and occupancy rights that prohibit landlords from evicting tenants for any reason other than non-payment of rent and provisions that allow (generally long-term) tenants to acquire ownership rights, typically by purchasing the land for less than market value. For instance, in Punjab, the tenant can acquire purchase rights after six continuous years of cultivation. In Gujarat and Maharashtra, tenants can purchase the land they cultivate after just one year of a recorded lease. Consequently, the measures disincentivized landowners from renting out their land or formally registering land leases⁶.

10 **These historical tenancy reforms have achieved mixed success.** In total, about 2.1 million hectares (ha) of land were redistributed to 5.8 million beneficiaries nationally. Ownership rights to tenants were given to only 4 percent of the legally registered leased area across India. At the same time, 33 percent of all tenants were evicted; other tenancies continued but were "concealed" from the state (not registered) due to the legal restrictions on tenancy⁷. Moreover, in many cases, land



Photo credit: Ritayan Mukherjee – The World Bank

5 Government of India. 2016. Report of the Expert Committee on Land Leasing, NITI Aayog, March 31, 2016. Accessed 17 May 2021 at: <http://niti.gov.in/sites/default/files/2020-05/Report-of-the-Expert-Committee-and-Model-Law-on-Agricultural-Land-Leasing.pdf>.

6 *Ibid.*

7 Appu, P. 1975. Tenancy Reform in India. *Economic and Political Weekly* 10(33/35), Special Number, 1339-1375.

redistribution benefits bypassed vulnerable groups, like tenant farmers and sharecroppers⁸, particularly those from lower farm-size classes and caste structures. Some land redistribution beneficiaries have also been unable to take possession of their legally allocated land from the previous owners.

11 **Moreover, despite these restrictions, agricultural tenancy remains widespread in India.** Across India, almost 14 percent, or nearly 21.3 million rural households—mostly small and marginal farmers operating less than 2 ha—reported leasing in land in 2013. This is likely an underestimate due to the prevalence of unregistered (informal or concealed) lease agreements. Furthermore, according to the all-India level Land and Livestock Survey, National Sample Survey Office (NSSO), (70th Round, 2012-13), the proportion of tenants among rural households, as well as the proportion of land that is cultivated on tenancy contracts, both increased between 2002-03 and 2012-13 (see Box 1). These tenancy trends reflect the fact that land leasing remains a key land access strategy, especially for poor farmers,

due to historically skewed land ownership patterns linked to caste and class and the large proportion of the population engaged in cultivation.

- 12 **The rise in tenancy is marked by an increasing variety of local tenancy arrangements, including fixed-rate tenancies, high-tenancy holdings (where leased-in land represents a large share of the overall farm holding), and larger farm size leases.** There are also more instances of reverse leasing (large land operators leasing in land from small landowners). However, most agricultural land leases remain between large (wealthy) landowners and poor tenants or between landowners and tenants with similar socio-economic status¹³.
- 13 **As noted by the NITI Aayog¹⁴, legal restrictions on land leasing have impacted agricultural efficiency in India.** The NITI Aayog Expert Committee on Land Leasing identified four main pathways through which leasing restrictions affect agricultural efficiency: (i) they have led to concealed tenancy, and

Box 1: Available Statistics on Land Tenancy at the All-India Level

	2002-03	2012-13
Tenancy Incidence - Percentage of rural households leasing in land	12%	14%
Area under Tenancy - Percentage of area leased-in to total area owned	7%	12%
Percentage of Tenants - Small ⁹ and marginal ¹⁰ farmers	56%	86%
Percentage of Tenants - Landless ¹¹	36%	1.4%

Source: Land and Livestock Holdings Survey by the NSSO¹²

8 For the purposes of this analysis, we use the term 'sharecroppers' to refer to farmers with no land tenure rights, and who supply their labor in return for a share of the production. By contrast, 'tenants' are farmers with land use rights defined on the basis of an oral/written lease agreement with a landowner. These tenants typically manage the farm independently and pay the landowner for this temporary land-use right either in kind or in cash.

9 Cultivating between 1 and 2 ha of land.

10 Cultivating between 0.002 and 1 ha of land.

11 Cultivating no land or less than 0.002 hectares (ha) of land.

12 Government of India. 2013. Household Ownership and Operational Holdings in India. National Sample Survey 70th Round. Accessed 17 May 2021 at: http://mospi.nic.in/sites/default/files/publication_reports/Report_571_15dec15_2.pdf.

13 Bansal, V., Usami, Y. and V. Rawal. 2018. Agricultural Tenancy in Contemporary India, An Analytical Report and A Compendium of Statistical Tables based on NSSO Surveys of Land and Livestock Holdings, SSER Monograph 18/1. Accessed 17 May 2021 at: <http://www.networkideas.org/wp-content/uploads/2018/05/sserwp1801.pdf>.

14 Government of India. 2016. Report of the Expert Committee on Land Leasing, NITI Aayog, March 31, 2016. Accessed 17 May 2021 at: <http://niti.gov.in/sites/default/files/2020-05/Report-of-the-Expert-Committee-and-Model-Law-on-Agricultural-Land-Leasing.pdf>.

tenants with insecure tenure tend to invest less in durable investment than owners, reducing their long-term productivity¹⁵; (ii) informal tenants lack access to institutional credit, insurance, and agricultural development programs that use the RoR to identify beneficiaries, which negatively affects their productivity; (iii) landowners prefer to keep their land fallow due to their fear of losing their ownership rights to their tenants; and (iv) they prevent land transfers to productive but land-poor farmers who cannot afford to purchase land.

- 14 **Thus, rather than strengthening tenants' land rights, tenancy restrictions have reduced tenants' tenure security and limited their access to public agricultural services.** To avoid losing their ownership rights to long-term tenants under the redistributive land reform policies still in force in most states, landlords prefer short-term lease agreements that are oral or written but not formally registered¹⁶ in the Deeds Registry or RoR. As a result, only 13 percent of the total leased-in area was registered in 2012-13¹⁷. Without a registered lease agreement, tenants are more vulnerable to arbitrary eviction and less willing to invest in sustainable land management practices and crops with long-term payoffs, such as organic farming and tree crops. Since public agricultural programs increasingly use the RoR to identify eligible beneficiaries, tenants and other farmers without land records are less likely to be recognized as farmers and eligible to access government programs intended to support vulnerable farmers (see Section 6).

15 **An analysis of fallowing trends from the 1980s to the 2010s across states grouped according to their level of tenancy restrictions**

- 15 Notably, high-value crops and commercialized agriculture are more likely to be found on owner-farmed land than on leased property.
- 16 Also known as 'concealed' (where tenancy is banned) or 'informal' (where tenancy is legal but restricted) tenancy.
- 17 Rao, C.S. 2019. Tenancy Transition and the Effect of Liberalisation on Agricultural Land Leasing, *Social Change*, 49(3) 434-452, 2019, DOI: 10.1177/0049085719863895.

shows that the proportion of the state's geographic area that was fallowed¹⁸ increased in all states except those without tenancy restrictions, where it decreased¹⁹. As per land use statistics maintained by the Union Ministry of Agriculture and Farmers Welfare, fallow land as a share of the total cultivated land area reported increased nationally from 6.8 percent in 1970-1971 to 8.5 percent in 2010-2011, despite rising population density over this period. In 2014-15, about 26.2 million ha (18.7 percent of the net sown area) of agricultural land was left uncultivated. This is a worrying trend, since studies show that rising levels of fallowing can dent agricultural growth in the long term.

4. RECENT CENTRAL AND STATE LEVEL LAND TENANCY REFORMS

- 16 **There is growing consensus on the need to remove tenancy restrictions and legalize agricultural land leasing "to promote agricultural efficiency, equity and poverty reduction"**²⁰. The NITI Aayog, the premier Indian policy-making body, therefore developed a Model Agricultural Land Leasing Act (Model Act) in 2016 to encourage states to reform their land tenancy policies. The Model Act, based on an extensive analysis of state land policies and multi-stakeholder dialogue and deliberations, provides a flexible template for states to legally recognize land leasing. It challenges the basic premises of

- 18 Lands under current and other fallow between 1984-85 and 2011-12 as per the Land Use Statistics of the Ministry of Agriculture and Farmers Welfare, Government of India.
- 19 Stickler, M. and P. Choudhury. 2020. Land Leasing Reform for Agricultural Transformation. Paper presented at the NCAER Land Policy Initiative India Land Forum 2020, November 24-27, 2020. Presentation available at: <https://www.ncaer.org/ILF2020/Presentations/Day2Session3MercedesStickler.pdf>.
- 20 Government of India. 2016. Report of the Expert Committee on Land Leasing, NITI Aayog, March 31, 2016. Accessed 17 May 2021 at: <http://niti.gov.in/sites/default/files/2020-05/Report-of-the-Expert-Committee-and-Model-Law-on-Agricultural-Land-Leasing.pdf>.

India's historical redistributive land reforms, which considered agricultural tenancy to be socially regressive and presumed that landlord-tenant relations are always against the interest of the tenant.

- 17 **The Model Act promotes legally recognized land leasing agreements²¹ that strengthen the land tenure security of both the landlord and the tenant (during the lease period).** Underlining agricultural tenancy as an economic necessity, the Model Act advocates for the formalization of the land leasing market to stimulate inclusive agricultural transformation and growth. Further, the reform envisions leasing contracts as licenses for tenants to operate in agriculture markets and to gain access to entitlements. Land being a state subject, however, the onus lies on the states to legislate and implement leasing reforms in the spirit of the Model Act.
- 18 **The NBP therefore summarizes the content of recently adopted reforms to facilitate cross-state knowledge sharing and awareness building to inform ongoing and future reform adoption and implementation (see Table 1).**



Photo credit: Ritayan Mukherjee – The World Bank

States are at different stages of this process: Uttarakhand, Uttar Pradesh, Madhya Pradesh, and Maharashtra have already introduced amendments to current laws or promulgated new laws, and Andhra Pradesh adopted a new reform act in 2019 following the Model Act recommendations that replaced an incomplete reform in 2011. The 2011 reform sought (mostly unsuccessfully) to register tenants for credit access without repealing leasing restrictions that encouraged landowners to keep their lease arrangements unregistered

Table 1: Comparison of State Land Leasing Reform Law Provisions

	Andhra Pradesh 2019	Madhya Pradesh 2016	Maharashtra 2017	Uttar Pradesh 2016	Uttarakhand 2016
Lease duration	11 months	1- 5 Years	Mutually decided	1-3 Years	1-5 years
Agreement	Lessee & Lessor; countersigned by Revenue Officer	Lessee & Lessor	Registered under Indian Registration Act, 1980	Registered under Indian Registration Act, 1980	Registered under Indian Registration Act, 1980
Lease Database	Register by Village Revenue Officer	NA	Tehsil Office	Tehsil Office	NA
Transferability of the Lease	NA	Not-Transferrable	Co-Lessee can be included	NA	Non-Transferrable
Access to Entitlements	Loan, Insurance, Rythu Bharosa	Relief		Loan/ Insurance	Loan, Insurance, Relief, Government Grant
Impacts on Other Laws	1956 Tenancy Act repealed	Revenue Code amended	Not clear	Revenue Code amended	Revenue Code amended

21 The Model Act encourages states to allow landlords and tenants to jointly determine the lease agreement terms, including duration, rent, method of contract validation, etc. Lease agreements may or may not be registered.

(see Box 2). The legal reform process is still underway in Karnataka, Odisha, and Punjab.

Box 2: Limited Impact of Piecemeal Land Tenancy Reform in Andhra Pradesh

Andhra Pradesh's experience suggests that efforts to register tenants are unlikely to succeed in the absence of more comprehensive legal reforms to repeal leasing restrictions and strengthen the land rights of both landowners and tenant farmers. Andhra Pradesh adopted the Licensed Cultivators Act in 2011 to register tenants for loan eligibility cards (LECs). By 2015, only 21 percent of tenants had been issued LECs, and only 15 percent of LEC holders had received bank loans. This lacklustre performance was attributed to: (i) lack of awareness of the law by tenants, landlords, and bankers and (ii) landlords' reluctance to let tenants register for fear of losing ownership rights given that long-term tenants could still legally acquire ownership rights under the 1956 Andhra Pradesh Tenancy Act. To address the latter, in 2019, the state adopted the Crop Cultivators Rights Act, which repealed both the Licensed Cultivators Act and the Andhra Pradesh Tenancy Act and clearly upheld landlords' ownership rights.

5. IMPORTANCE OF UPDATING STATE LAND RECORDS AND RECORDING LAND LEASES

19 Land records reform is an essential requirement for effective land leasing reform.

States are responsible for maintaining land records in India. These typically include (1) the **Record of Rights (RoR)** that lists the tenure rights of agricultural holdings (parcels) and is maintained by the **Land Revenue Department** for the purpose of taxation; (2) a **Deeds Registry** maintained by the **Registration Department**, where land transactions are registered; and (3) a **Cadastre** that records spatial data on parcel boundaries and is maintained by the **Survey Department**. These three types of records are maintained separately, so information on land rights for a given parcel is not always consistent across these databases, leading to complex land disputes that are difficult and costly to resolve. Importantly, the DILRMP is working with states to harmonize land records data across these three departments and to enable seamless data transfers in the future.

20 Despite states' good progress with digitizing land records under DILRMP, many do not reflect the current owner and/or cultivator,

which could lead to inaccurate targeting of agricultural entitlements. Over 91 percent of all villages across India now have digitized textual land records. However, the survey and re-survey process, which updates spatial and textual records based on the current ground realities, has only been completed for roughly 3 percent of India's land area according to the Department of Land Resources as of April 2021. This suggests that farmer support programs, which rely on the RoR to identify eligible beneficiaries, risk excluding otherwise eligible landowners who do not have updated land records (due to an unrecorded inheritance transfer or other land transaction, for example).

21 Moreover, most states only record land ownership tenure rights in the RoR, leaving out land use rights, such as tenancies. While DILRMP standards²² and some states' procedures²³ allow for land leases to be recorded in the RoR, these provisions are rarely implemented in practice. Thus, although the Government of India (GoI) has recognized

22 See page 74 of the Technical Report Study of Uniform Coding Scheme for Computerisation of Land Records, NIC LRISD001(NICSI/70182). August 2008. It lists States and Union Territories where tenancy codes are to be captured: Arunachal Pradesh, Chhattisgarh, Delhi, Haryana, Jharkhand, Kerala, Manipur, Puducherry, Rajasthan, Sikkim, Tamil Nadu, Uttarakhand, Uttar Pradesh. See: https://dolr.gov.in/sites/default/files/lrc_codes_list_final_draft300908revised.pdf.

23 According to the National Council of Applied Economic Research (NCAER) Land Records and Services Index (N-LRSI), the RoR in Andhra Pradesh, Karnataka, Goa, Bihar, and Maharashtra has space to record tenancy in the digital land record.

DILRMP as key to doubling farmers' income, the impacts may not be fully achieved unless the Gol explicitly promotes the inclusion of (at least long-term) tenants' rights in the land records. Support for adding tenants' rights to the RoR will be especially important given that the registration of agricultural leases in the Deeds Registry is at the discretion of state governments under the Transfer of Property Act, 1882 and the Registration Act, 1908.

6. THE STATE OF LAND RIGHTS IN INDIA FOR WOMEN AND DALIT FARMERS

22 Despite the increasing role women play in India's agriculture sector due to male out migration from rural areas, women farmers often face structural and cultural barriers to accessing formal land rights and being recognized as farmers. Women constitute 65 percent of all agricultural workers in the country, yet they comprise only 14 percent of all landholders with formally recorded land rights. Without formal land records (RoR) in their names, women farmers (like tenants) are not recognized as farmers and are typically excluded from public and private agricultural services and entitlements²⁴. This has important implications for productivity and equity: the Food and Agriculture Organization (FAO) estimates that if women had the same access to productive resources as men, they could increase yields on their farms by 20-30 percent globally.

23 Women's visibility in farming is further compromised due to the lack of sex-disaggregated land records data. To measure the real status of women farmers' productivity,

24 Deo, S. 2020. Women and land in India: Connects and Disconnects, Land in India- 2020. Accessed 17 May 2021 at: <https://www.centerforland.org/wp-content/uploads/2020/03/Land-in-India-2020-28-FEB-2020.pdf>.



Photo credit: Arshia Gupta – The World Bank

gender-disaggregated statistics on land tenure (rights), quality, area, and use are needed. However, most state land record databases and farmer surveys consider the household as a unit and record land in the name of the head of the household, which is usually presumed to be a male. Many state land records do not even collect data on the owner's gender, making it difficult to track progress towards achieving gender equity in land ownership and farm productivity.

24 Importantly, the Union Department of Land Resources has issued a directive to states to include gender data in their land records under the DILRMP. Some states, including Odisha, have agreed to do so going forward. Concerted efforts will be required to ensure that gender data are captured as part of the on-going land records updating process under DILRMP²⁵.

25 More broadly, Indian policy makers have been working to enhance women's land rights for decades. The Gol has promoted women's

25 Choudhury, P. R., Behera, M. K., and T. Haque. 2017. Combining Administrative and Open Source Data for Monitoring Land Governance: Mapping Women Land Rights in the Context of UN's SDG in India, Paper presented at the Annual World Bank Conference on Land and Poverty, Washington, DC, March 20-24, 2017.

land rights through special administrative provisions since the 1980s, such as joint titling of the land rights of husbands and wives and reduced stamp duties for land registered to female landowners. Moreover, in 2005, the Hindu Succession Act—which governs the inheritance rights of the vast majority of women in India—was amended to accord daughters equal rights to inherit land. Many states extended this right to agricultural land.

26 Where implemented, these administrative and legal provisions appear to be positively impacting women’s land rights in India.

However, their implementation remains limited, in part due to low levels of public awareness and restrictive social customs. Experience from several states suggests that community-based legal awareness and legal aid campaigns will be needed to empower women to take full advantage of these progressive provisions (see Box 3).

27 Dalit farmers face similar barriers to accessing land and being recognized as farmers.

Almost 60 percent of *Dalit* households do not own any farmland, and nearly 70 percent of *Dalit* farmers are agricultural laborers on farms owned by others. Nationally, *Dalits* own just 9 percent of cultivable land (mostly small parcels under 2 ha). *Dalit* farmers, therefore, also need government support to increase their access to arable land. Despite a strong *Dalit* land rights movement in some Indian states—

and notwithstanding state interventions to redistribute land to landless households, including *Dalits*—there remain high rates of landlessness among *Dalits*. This is problematic given that landlessness is a key driver of poverty and vulnerability in rural India.

28 A few states have recently taken proactive measures to improve land access for landless Dalit families.

For instance, the Government of Bihar launched an initiative to ensure that *Dalit* beneficiaries of government land allocation programs gain control of land legally titled to them decades earlier. In another recent initiative, the Government of Telangana purchased land from landowners and redistributed it to landless *Dalit* families. Scaling up similar programs will be critical to ensure that these vulnerable farmers can fully benefit from and contribute to India’s agricultural transformation.

7. INCLUSION IN AGRICULTURE AND RURAL DEVELOPMENT PROGRAMS

29 Over the past decade, the central and state governments have launched several development programs targeting poor and marginal farmers. These include broadly targeted financial assistance to farmers,

Box 3: Increasing Legal Awareness and Legal Aid to Strengthen Women’s Land Rights

Women farmers need ‘land literacy’ training to access, understand and update formal land rights records. They also need legal aid to claim their lawful inheritance rights. Several states have piloted initiatives to train local (often women) resource persons and/or paralegals to help women farmers understand and work with land administration offices to secure their land rights. For instance, in [West Bengal](#), the State Rural Livelihood Mission has partnered with nongovernmental organizations (NGOs) to implement a women’s land rights education program that helps women access and update their land records. And in [Gujarat](#), an NGO-led initiative to provide legal aid helped women secure their rightful land inheritance and access agricultural services. It will be important for governments to invest in expanding such programs to strengthen women’s land rights in practice at scale.



Photo credit: Rohit Jain – The World Bank

such as Direct Benefit Transfers (DBT) and subsidized crop insurance, as well as rural livelihood development initiatives focused primarily on empowering women farmers. The study analyzed the extent to which tenants, women, and *Dalit* farmers are included among the beneficiaries of several flagship central and state agriculture and rural development schemes. The analysis compared program design and eligibility requirements with publicly available data on (i) actual program beneficiaries and (ii) the population of tenants, women, and *Dalit* farmers at the central and state levels. The results (summarized below) suggest that the ability of these programs to benefit tenants, women, and *Dalit* farmers is limited since their land rights are often not formally registered in the RoR.

30 **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is a fully funded central government program that aims to provide financial assistance to small and marginal farmer (SMF) families through DBT.** The program determines eligibility based on the state

land records. This means that up to 298,000 landless tenant farmers²⁶ (those who do not also own other land that would make them eligible), most single women farmers, and other farmers without land records in their names are ineligible. Given that PM-KISAN aims to improve the incomes of SMF, many of whom are tenants and/or do not have updated land records, the program's effectiveness and impact require the unambiguous identification and inclusion of tenants. This could be accomplished through concerted efforts to update the state land records, as the Government of Telangana did prior to launching its own DBT scheme (see *Rythu Bandhu* below).

31 **The National Rural Livelihood Mission (NRLM) is an umbrella rural livelihood development program exclusively focused on women's empowerment.** The NRLM has so far enhanced women's access to credit, land (through

26 Government of India. 2013. Household Ownership and Operational Holdings in India. National Sample Survey 70th Round. Accessed 17 May 2021 at: http://mospi.nic.in/sites/default/files/publication_reports/Report_571_15dec15_2.pdf.

informal group leasing), and overall financial inclusion mostly through Self-Help Groups (SHGs). However, mechanisms for ensuring women's *individual* access to financial services remain absent: women in rural areas either cannot access loans or depend on guarantors, in part due to their lack of formally registered land to use as collateral. Women and other farmers who lack land records in their names are also typically ineligible to register as officers of Farmer Producer Organizations (FPOs) and independently access farmer entitlements, such as PM-KISAN, thus limiting their leadership opportunities and ability to invest fully in their farm enterprises. While supporting SHGs to lease land informally can increase women farmers' land access in the short term, it will be critical for NRLM to also support SHG members to access formal land records (as owners and/or tenants) and thereby empower them to lead and invest in FPOs.

- 32 **Krushak Assistance for Livelihood and Income Augmentation (KALIA) is a DBT initiative launched by the Government of Odisha in 2018.** The program aims to cover a range of vulnerable groups, including SMF, sharecroppers, agricultural laborers, and landless agricultural households. Importantly, this program leveraged existing farmer databases maintained by the Department of Agriculture and other government institutions to identify eligible beneficiaries and included community validation of identified beneficiaries. Compared with other DBT initiatives, KALIA has achieved higher levels of inclusion of vulnerable groups, including sharecroppers. However, the program baseline study²⁷ noted that the "identification of sharecroppers would pose considerable challenges... as it requires interpolation involving multiple administrative registries of individuals". Moreover, tenancy incidence

27 Gaurav, S. 2019. Augmenting Agrarian Livelihoods in the Time of Crisis: A Baseline for KALIA. *Odisha Economy Discussion Series 2*. Bhubaneswar: Nabakrushna Choudhury Centre for Development Studies (an ICSSR institute in collaboration with Government of Odisha), April 2019. Accessed 17 May 2021 at: <http://ncds.nic.in/sites/default/files/OEDS2NCDS.pdf>.

is likely to be under-reported in official statistics²⁸ given that state law continues to ban the practice.

- 33 **Rythu Bandhu (the first large DBT targeting farmers in India) was launched by the Government of Telangana in 2018 following a time-bound land records updating process to identify eligible beneficiaries.** Telangana's experience offers several lessons for other DBT schemes to consider. On the one hand, it demonstrated the feasibility of quickly updating the textual land records over a period of less than four months. On the other hand, the land records updating process only targeted landowners, even though a nearly concurrent survey led by the Department of Agriculture had built a database of all farmers, including tenants. The decision to only update land ownership records resulted in tenants' exclusion from the DBT. Given the high incidence of tenancy and relatively higher incidence of suicides among tenants compared to their representation in the overall population in the state²⁹, it would be important to make Rythu Bandhu more inclusive of tenants by leveraging Department of Agriculture farmer data in the short term and ideally by recording tenants' rights in the RoR in the medium term.
- 34 **Pradhan Mantri Fasal Bima Yojana (PMFBY), launched in 2016, is one of the largest crop insurance subsidy programs in the world.** Initially meant to be mandatory for recipients of agricultural loans, the program is now open to all interested farmers. However, farmers without land records, including tenants and sharecroppers without written lease agreements, cannot access this scheme³⁰. As a

28 Planning Commission. 2013. Twelfth Five-year Plan: 2012-17. New Delhi: Planning Commission of India, Government of India.

29 Murty, C. S. and M. S. Reddy. 2017. AP Land Licensed Cultivators Act in Retrospect and Prospect. *Journal of Land and Rural Studies*, 5(1) 1-11, Centre for Rural Studies, LBSNAA, DOI: 10.1177/2321024916677597

30 Rai, R. 2019. Pradhan Mantri Fasal Bima Yojana: An Assessment of India's Crop Insurance Scheme. *ORF Issue Brief No. 296*, May 2019, Observer Research Foundation. Accessed 17 May 2021 at: https://www.orfonline.org/wp-content/uploads/2019/05/ORF_Issue_Brief_296_CropInsurance.pdf.

result, according to the most recent beneficiary data available (for the 2020 *rabi* (winter) season), the shares of women, Scheduled Tribe, and Scheduled Caste beneficiaries are low—just 17 percent, 7 percent, and 4 percent, respectively³¹. Thus, updating the land records—including to record tenants' rights—will be critical to ensure that the most vulnerable farmers benefit from subsidized crop insurance.

- 35 **This review of flagship agricultural and rural development programs suggests a clear intent of the central and state governments in India to extend welfare measures to all farmers, especially those who are marginalized, such as tenants, women, Dalits, and Scheduled Tribe members.** However, all the programs covered by the study have struggled to include these most vulnerable farmers, mostly due to the lack of comprehensive and up-to-date state land records that incorporate land use rights, including tenancy rights. There is therefore an urgent need to update state land records—including by adding women's names to their family's land records and adding the names of tenants (the actual cultivators) alongside the landowners' names for leased land—to facilitate accurate program targeting.

8. RECOMMENDATIONS

- 36 Drawing on the research findings, this section summarizes key recommendations to guide the adoption and implementation of land leasing reforms and complementary interventions needed to ensure that tenants, women, and *Dalits* benefit from land leasing reform and fully contribute to India's agricultural transformation.

- I. **Support policy dialogues to share lessons learned and build consensus on the objectives and content of contemporary land leasing reforms** among the

Agriculture, Rural Development, and Land Revenue authorities at the central and state levels.

- II. **Provide technical and financial assistance to help states adopt and implement land leasing reforms that repeal restrictive tenancy provisions and ensure the interests of small and marginal farmers (as both tenants and landlords) are protected.** Consider implementing the 15th Finance Commission recommendation that performance-based incentives for states be based on their adoption of land leasing reforms in line with the Model Agricultural Land Leasing Act as one of four key agriculture sector reforms.
- III. **Adopt a locally adapted approach to land leasing reform that ensures inclusion of women and Dalit farmers,** taking into account the characteristics of the tenants and landlords, prevailing local tenancy practices, and agricultural production systems.
- IV. **Undertake time-bound initiatives to update the RoR through the DILRMP—including by registering the land (use) rights of tenants, women, and Dalits—to ensure universal farmer access to agricultural entitlements and facilitate a legal, regulated land leasing market³².** Investing in comprehensive, updated land records is more fiscally sustainable than maintaining separate land and farmer databases and reduces the potential for discrepancies.
- V. **Invest in robust public information and education campaigns to build awareness about leasing reforms among all stakeholders,** including landlords, tenant farmers, small and marginal farmers, government departments, banks, and local government institutions.

31 Ministry of Agriculture and Farmers Welfare. 2021. Country Profile. Accessed 17 May 2021 at: <https://pmfby.gov.in/ceo/dashboard>.

32 In many states, this can already be done within existing legal and administrative frameworks or could be accomplished through procedural reforms.

- VI. **Provide technical assistance to help vulnerable farmers negotiate suitable lease terms that meet the needs of both landowners and tenant farmers.** This support could include free legal services and training, as well as potentially negotiation and/or dispute resolution assistance through community-based organizations, NGOs, and *Panchayati Raj* (local government) institutions.
- VII. **Ensure vulnerable farmers can access existing agriculture and rural development support.** For example, digitally link program eligibility databases with the updated land records, invest in broad-based awareness raising among eligible populations, and [train community members to support vulnerable farmers to apply for suitable programs](#).
- VIII. **Support research on land leasing reform implementation.** Many important policy questions require further research and debate. These include the minimum lease agreement data that should be recorded for short-term and long-term leases to minimize the administrative burden and how to design a viable business model that incentivizes landowners and tenants to maintain updated land leasing records.
- IX. **Establish effective mechanisms to regulate land fallowing and the transfer of cultivable land to other uses (residential/urban).** This could include appropriate tax rates for fallowed arable land and better implementation of laws governing the conversion of arable land to non-agricultural uses.

ABOUT THE DISCUSSION NOTE SERIES

This note is part of the South Asia Agriculture and Rural Growth Discussion Note Series, which seeks to disseminate operational learnings and implementation experiences from rural, agriculture, and food systems programs in South Asia. It is based on the findings of the *Land Policy Reform for Agricultural Transformation in India Study* under the India Agriculture and Rural Development Advisory Services and Analytical Program. The other notes in this series include:

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- [Help Vulnerable Farmers Access Formal Land Records](#)
- [Informally Register Farmers' Customary Land Rights in Tribal Areas](#)
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