



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

THE LAND TENURE SYSTEM IN BANGLADESH*

M. A. JABBAR

Land tenure and the mode of production

The basic character of an economy is identified by the mode of production of its dominant sector. The mode of production has two constituent elements: the relation of production and the forces of production. Relation of production defines the nature of ownership control over the means of production, and the corresponding distribution of output. The forces of production define the technology or nature of combinations of various means of production used in the production process. The forces of production are primarily defined by the relation of production.

To identify the present mode of production in Bangladesh agriculture, the following criteria may be used: the land tenure system, the use of hired labour, the source of power and the degree of market orientation or commercialization. In this paper, only the land tenure system will be examined in detail and the broader issues of agrarian production relations are reviewed in the paper by Hossain (Background paper 4).

In a predominantly agricultural economy, the land tenure system may be an important criterion for determining the prevailing relation of production and the mode of production. Land tenure defines, "...the complex relations between land on the one hand and the various interests in land-cultivators, owners, government- on the other" (Khusro, 1973, p.1). "Land tenure refers to the possession of rights to the use of land. People hold varying kinds of rights in the use of land and are said to belong in different tenure classes. Although it is difficult to rank tenure classes according to the degree of rights which are held, we generally recognize that the owner-operator without debt has the most freedom of action with respect to the use of his inputs. At the other end of this scale of rights in land are found the hired farm labourers and sharecroppers. Between these two extremes are share tenants, cash tenants, mortgaged owners, part-owners, and numerous combinations of these groupings" (Bishop and Toussaint, 1958, p. 153).

Under the present day capitalist mode of production, most of the tenure holders are expected to be owner-operators, with or without debt (credit), most of such debt being to the established financial institutions in the money market. A group of people living purely on rent derived from land ownership may be practically non-existent, yet sharecropping and various other kinds of renting may exist. The terms of renting are, however, determined mostly by the market prices. The feudal mode of production, on the

* *In: Agrarian Structure and Rural Change*. Report prepared for the First FAO World Conference on Agrarian Reform and Rural Development, by the Government of the People's Republic of Bangladesh, Ministry of Agriculture, Dhaka. Chapter 3, pp.61-87.

other hand, demonstrates two main features with respect to land: (a) a small number of land owners living purely on rent and usuary (because the money market is undeveloped and cultivators have to borrow from landlords), and (b) a large number of cultivators of various kinds, of which owner-operators are very few. Such a distinction between capitalist and feudal modes of production is no doubt crude but may be considered good enough for a rough approximation, in the absence of detailed analysis, incorporating all possible criteria. Available information on the land tenure system in Bangladesh will be analyzed below keeping the above conceptual framework in mind. Information is available only for the post 1946 period.

The changing pattern of tenure relationships

With the abolition of the Zamindari system as a result of the East Bengal State Acquisition and Tenancy Act 1950, the class of pure rent receivers was eliminated. In some instances Zamindars and intermediate rent collectors below them were able to retain ownership of land, having registered and recorded it in the names of their relatives, and others also retained ownership through loopholes in the 1950 Act, some people thus continued to live on rent for the time being. Of these some have gradually become cultivators, fully or partially, mainly using and supervising permanent and/or casually hired labour. Others have taken nonagricultural occupations mainly in the urban areas but still retaining the ownership of land and earning rent as a complementary/supplementary source of income. This group, known as absentee, or non-cultivator owners, is likely to be very small in size though accurate information is not available. In samples of 118 households from Phulpur (Mymensingh) and 114 from Thakurgaon in 1974, 6 percent and 3.3 percent were non-cultivator owners owning 6.2 percent and 4.4 percent of the total land owned by the respective samples. About 19 percent of the land rented by tenant households in the samples came from the non-cultivator owners (Hossain, 1977, p. 341).

According to the 1960 Census of Agriculture, 17.52 percent of the total civilian labour force was landless agricultural 'labourers' and the 1968 Master Survey of Agriculture reported 20 percent as 'landless labourers' (Pakistan, 1960; Bangladesh, 1972; Bangladesh, 1977). The average size of family of landless labourers is generally smaller than that of other groups of rural households. Hence, landless households as a proportion of total rural households would be higher than the figures quoted in the above sources. In 1974, 24.4 percent and 9.7 percent of 118 and 114 sample households respectively from Phulpur and Thakurgaon were 'landless workers' (Hossain, 1977, p. 341). In an IRDP survey conducted in 1973/74 on 7710 rural households in 12 districts, 37.6 percent reported as 'landless', landless being defined as those households having no farm and having homestead land not exceeding 0.33 acres. However, about a third of these landless households were 'agricultural labourers', others being engaged in non-agricultural labour, business, fishing, service, weaving and begging, for their main or subsidiary occupations (Abdullah et. al., 1976, pp.212-214). The 1974 Census of

population reported 24.9 percent of the rural agricultural population as ‘agricultural labourers’ (Bangladesh, 1977). According to the 1977 nationwide Land Occupancy Survey, 11.1 percent of the total households (8.1 percent of total population) owned no land, either homestead or other land; 33.0 percent of the total households (27.1 percent of total population) owned no cultivable land but some of them owned homestead land; another 15.3 percent of the total households (13.8 percent of total population) owned up to 0.50 acres of cultivable land in addition to homestead land (Jannuzi and Peach, 1977, Table D-III). If ownership up to 0.50 acre is considered landless, then total landless households amount to 48.1 percent (32.8 plus 15.3) containing 41 percent of the population. However, all landless households/population may not be agricultural labourers (wage earnings) as indicated by the IRDP survey.

The evidence presented above indicates the near absence of a class living purely on rent and no more than 40 percent of the rural households living purely/mainly on agricultural wages. On this basis, the mode of production in Bangladesh agriculture appears to be neither feudalist nor capitalist but somewhere between these two. The next task therefore is to see whether the actual situation is nearer to the feudalist or the capitalist modes of production. To do this, the relative importance of various tenure holders among ‘farms’ are examined.

Because of conceptual differences with respect to the available information on tenancy, the evidences from different major sources are first examined separately and then synthesized.

- i. According to the 1960 Census of Agriculture, 61 percent of the farmers were owner-operations (those cultivating own land), 37 percent were owner-cum-tenants (those owning some land and renting additional land from others) and 2 percent were tenants (those renting all the land cultivated) (Pakistan, 1960). According to the 1968 master Survey, there were 66 percent Owner-operators, 30 percent owner-cum-tenants and 4 percent tenants (Bangladesh, 1972). According to a BIDS Survey in 1974, there were 67 percent owner-operators, 27 percent owner-cum-tenants and 6 percent tenants (Alamgir, 1975). According to the 1977 Land Occupancy Survey, there were 61 percent owner operators¹, 32 percent owner-cum-tenants, and 7 percent tenants (Jannuzi and Peach, 1977). In 1960, 18 percent of the total cultivated land was rented by 39 percent of the farmers (owner-cum-tenants and tenants); in 1968, 17 percent was rented by 34 percent of the farmers; in 1974, 25 percent was rented by 33 percent of the farmers and in 1974, 23 percent was rented by 39 percent of the farmers.
- ii. All the above mentioned sources classified tenure systems depending on whether the cultivated land is owned and/or rented, but none has specified the source(s) of

¹ The report does not actually show owner-operators as a category but shows two categories: owner-cultivator (23 percent) – those cultivating own land with family labour only, and owner-manager (38 percent) – those cultivating own land with family and hired labour. For conceptual consistency, these two categories are merged and treated as owner-operators in this report. However, tenure classification on the basis of whether family or hired labour is used seems meaningless because evidence from a large or tenants, using only family labour are rare. Even a very small farm hires some labour during the peak periods. One of the most common forms of labour hire is labour exchange whereby a number of farmer jointly work in each others fields by turn.

land rented by owner-cum-tenants and tenants. One source of such information could be in absentee/non-cultivator owners referred to above. Jabbar (1977) and Hossain (1977) have identified another source, part-operators; these people cultivate part of their own land and rent out the rest. Information from these two sources is shown in Table 1. From each of Mymensingh, Rangpur, and Dinagpur, there were 300 sample households, and from Phulpur and Thakurgaon there were 118 and 114 sample households respectively. The figures in the table are not likely to be representative for the whole of Bangladesh because of the small size and purposive nature of the samples.

- iii. Apart from specific limitations already mentioned, all the tenure classification referred to in section (i) and (ii) above, are subject to two other limitations. Land mortgage should also be considered an element for defining the tenural status of a farm, but none of the studies reviewed have done so. In reality, there are six elements to be considered when defining tenurial status of a farm and these are land owned, land rented out, land mortgaged out, land rented in, land mortgaged in and land cultivated. As such cultivated land equals land owned, minus land rented out, and/or mortgaged out, plus land rented in and/or mortgaged in.

Second, all the studies have defined tenure system implicitly assuming full year tenancy duration. Actually, rental terms may permit tenancy duration of a few months (for a single crop) to more than a year, but the total duration may last for several years as a result of periodic renewal of contracts². Such variation in duration is also true in case of mortgaged land³. Therefore, the proportion of farms giving out and taking in land on rent and mortgage and the proportion of a farm area rented and mortgaged may vary from crop to crop within a year and also between years.

These shortcomings were taken into account in a study by Jabbar (1978). In a sample of 385 farms (not households) distributed over 9 districts, 17 different tenure categories were identified. Table 2 shows the average amount of land per farm for the six elements defining the tenurial status of the 17 categories and also the proportion of farms in each category. The following features emerge: (1) 18.7 percent of farms in one category cultivated all the owned land; 22 percent of farms in three categories have given out part of their owned land on rent and/or mortgage and cultivated the rest; 23.8 percent of farms in 9 categories have given out part of owned land as well as taken in additional land for cultivation; 32.3 percent of farms in three categories owned some land and took

² the 1977 Land Occupancy Survey, found that of all households involving tenancy 31 percent reported tenancy duration of one year or less, 40 percent reported during of 2-3 years, 12 percent reported 4-5 years and 17 percent reported 6 years or more (Jannuzi and Peach, 1977, Table D-VII). Those reporting longer durations probably had to review contracts periodically. It may also be mentioned here that rental terms, including tenancy duration, are usually verbal contracts.

³ Two kinds of mortgage are generally found in Bangladesh: (a) Khaikhalashi, in which the mortgagee obtains the rights to cultivate land for a specific period in exchange for a specific sum of money which reduces (usually by a constant amount) every year and the mortgager regains the possession of the land after the entire money has been exhausted or by repaying the balance, if permitted, under mortgage terms; (b) Daisudi, in which the mortgage value does not reduce and the mortgager can regain possession only by repaying the entire amount (sometimes with interest). Mortgage terms, particularly in case of Daisudi (also called Kotbondhak), are usually documented in some way.

in additional land for cultivation; and 2.3 percent of farms in one category took in all the land cultivated and owned none. (2) Taking renting and mortgaging items separately, 26.5 percent of farms in eight categories have rented out land but 47.4 percent farms in nine categories have rented in land; 28.7 percent of farms in eight categories have mortgaged out land but 19.9 percent of farms in eight categories have mortgaged in land; 46.7 percent of farms in 12 categories have given out land on rent and/or mortgage while 58.4 percent of farms in 13 categories have taken in land on rent and/or mortgage. (3) Farms renting out and/or mortgaging in land were generally large owners compared to those mortgaging out and/or renting in land⁴.

Taking the year as a whole, 47 percent farms have given out land and 58 percent farms have taken in land. Of the total area cultivated during the year, 19.7 percent was taken under renting and 4.4 percent under mortgaging; the remaining 76 percent was cultivated by the land owners themselves. Separate information on two types of mortgage mentioned earlier could not be collected. Proportion of farms taking in land and proportion of area taken in (on rent and/or mortgage) was seen to vary between crops (Table 3).

Sharecropping has been the predominant form of tenancy arrangement. In 1960, 16 out of the 18 percent of land rented was under share rent. About 92 percent of total rented land in 1977 was under share arrangement. Half crop sharing, very little, or no input sharing is the common practice. In 1977, 93 percent of the rental contracts were for half crop sharing and in 99.9 percent cases, the inputs were provided by the tenants (Jannuzi and Peach, 1977, Tables D-VI and D-II). Zaman (1973), in a study of selected farms in Thakurgaon and Phulpur, found good evidence of input sharing in the case of high yielding crop varieties.

Conclusions

In spite of specific limitations of the information presented so far, the following general characteristics of the land tenure system in Bangladesh emerge: (1) As a result of the East Bengal State Acquisition and Tenancy Act, 1950, the class living purely on rent was eliminated. (2) The proportion of the rural population living purely or mainly on agricultural wages has increased from 17 percent in 1960 to about 35 percent in 1977. (3) Only about 25 percent of the farms are owner-operated (cultivating all the land owned), remaining 75 percent of farms are involved in renting and/or mortgaging (out and/or in). Less than 5% are pure tenants. (4) Only about 20% of the total cultivated land is rented but the proportion of farms renting in is about double the proportion of farms renting out, implying that too many tenants compete for too little land from a small number of owners. Fifty percent of crop sharing without input sharing is the commonest practice. (5) Only about 5 percent of the cultivated land is mortgaged but the proportion of farms mortgaging out is about one and a half times (may be two times) higher than the proportion mortgaging in. (6) Farms renting out and/or mortgaging in land are generally

⁴ National level information on the pattern of land ownership is available only for 1977. Of the total sample households 42.79 percent were landless, 29.10 percent owned 0.1 – 1.0 acre, 15.78 percent owned 1 – 2 acres, 15.64 percent owned 2 – 5 acres, 4.94 percent owned 5 – 10 acres, 0.99 percent owned 10 – 15 acres and 0.76 percent owned over 15 acres. Top 1.75 percent households owned 19.3 percent of total cultivable land (Jannuzi and Peach, 1977, Table D-II).

larger owners compared to those mortgaging out and/or renting in land. (7) In general small ownership predominates with a highly unequal distribution. In 1977, 33 percent of the households had no cultivable land, but 1.75 percent of households owned 19.31 percent of the total cultivable land.

The mode of production cannot be characterized in terms of land tenure relationships alone. However the evidence summarized in this paper is indicative of a complex situation in which no one mode of production prevails. Tenure relationships which are both feudal and capitalist exist together in a situation that has been in a process of rapid change since the abolition of the rent holding interests of the Zamindars, after the creation of East Pakistan. Perhaps the more important issues are whether the direction of change is towards fully fledged capitalist production relationships, as in the North West of the Subcontinent, and how rapidly is this transformation occurring.

Table 1: Proportion of Farms under Different Tenure Classes in Selected Areas

Tenure class	Phulpur		Thakurgaon		Mymensingh	Rangpur	Dinajpur
	1969	1974	1969	1974	1974	1974	1974
Part-operators	18	7	23	22	5	15	46
Owner-operator	26	56	26	24	72	42	18
Part-tenant	53	29	42	43	23	43	30
Tenant	2	8	9	11	–	–	6
All classes	100	100	100	100	100	100	100

a. the class names used here are those used by Jabbar (1977). The corresponding names used by Hossain (1977) are respectively: cultivator-landlord, pure owner, mixed tenant and tenant. Part-tenant and mixed-tenant are same as owner-cum-tenant mentioned in other studies.

Source: for Phulpur and Thakurgaon (Hossain, 1977); for other areas (Jabbar, 1977).

Table 2: Quantity of Land Owned and Cultivated Per Farm & Proportion of Farms by Tenure Categories 1977

Tenure Category	Acres Per Farm						% Farms	
	Owned	Rented out	Mortgaged out	Rented in	Mortgaged in	Culti-vated		
	1	2	3	4	5	6=1-2-3+4+5		
1	4.06	–	–	–	–	<u>4.06</u>	<u>18.7</u>	<u>18.7</u>
2	8.51	3.56	–	–	–	4.95	12.2	
3	2.91	–	0.51	–	–	2.33	6.5	
4	6.28	1.93	1.09	–	–	<u>3.26</u>	<u>4.2</u>	<u>22.9</u>
5	1.99	–	0.46	1.37	–	2.33	12.7	
6	6.61	2.71	–	1.80	–	5.70	1.6	
7	10.17	4.20	–	–	0.90	6.87	3.2	
8	2.98	–	0.39	–	0.32	2.91	1.0	
9	2.06	0.49	0.24	1.88	–	4.71	1.0	
10	5.19	1.57	0.53	–	0.55	3.65	1.8	
11	6.83	4.65	1.00	1.17	2.67	5.01	0.5	
12	5.64	2.16	–	1.90	0.88	6.26	1.0	
13	2.81	–	0.55	1.42	0.19	<u>3.92</u>	<u>1.0</u>	<u>23.8</u>
14	1.51	–	–	1.50	–	3.01	20.8	
15	2.76	–	–	–	1.38	4.14	4.9	
16	1.69	–	–	1.20	0.46	<u>3.35</u>	<u>6.5</u>	<u>32.3</u>
17	–	–	–	2.79	–	2.79	2.3	2.3
All Categories	3.89	0.77	0.17	0.72	0.16	3.71	100.0	100

Source: (Jabbar 1978).

Table 3: Proportion of Farms Giving out and Taking in Land and Proportion of Area Given out and Taken in by Crops, 1977

	Aman	Aus	IRRI	Boro	Jute	Tobacco	All Crops
% farms giving out land	–	–	–	–	–	–	47
% Producers taking in land	43	42	41	35	36	30	58
% owned area given out	–	–	–	–	–	–	24
% cultivated area taken in	22	25	27	38	23	18	24

Source: (Jabbar, 1978).

Note: – not available.

REFERENCES

- Abdullah, A., Hossain, M. and Nations, R.: “Agrarian structure and the IRDP-Preliminary Considerations.” *Bangladesh Development Studies*, 4(2) (April 1976), pp. 209-266.
- Alamgir, M.: “Some Aspects of Bangladesh Agriculture-Review of performance and Evaluation of policies.” *Bangladesh Development Studies* , 3(3) (July 1975), pp.261-300.
- Bangladesh, Government of the People’s Republic of: “*Master Survey of Agriculture in Bangladesh (Seventh Round) 1968.*” Dacca: Bangladesh Bureau of Statistics, 1972.
- Bangladesh, Government of the People’s Republic of: “*1974 Bangladesh Population Census Report (National Volume).*” Dacca: Bangladesh Bureau pf Statistics, 1977.
- Hossain, M.: “Farm Size, Tenancy and Land Productivity: An Analysis of Farm Level Data in Bangladesh Agriculture.” *The Bangladesh Development Studies*, 5(3) (July 1977), pp. 285-348.
- Jabbar, M.A.: “Relative Productive Efficiency of Different Tenure Classes in Selected Areas of Bangladesh.” *Bangladesh Development Studies*, 5(1) (January 1977), pp. 17-49.
- Jabbar, M.A.: “*Survey on Land System in Bangladesh.*”(Unpublished Data, 1978).
- Jannuzi, P.T. and Peach, J.T.: “*Report on the Hierarch of Interests in Land in Bangladesh.*” Dacca: U.S. Agency for International Development, 1977.
- Khusro, A.M.: *Economics of Land Reform and Farm Size in India.* Delhi: Macmillan Company of India, 1973.
- Pakistan, Government of: “*Pakistan Census of Agriculture 1960.*” Karachi: Ministry of Agriculture, 1962.
- Zaman, M.R.: “Sharecropping and economic efficiency in Bangladesh.” *The Bangladesh Economic Review*, 1(2) (April 1973).