

**Agrarian Transition And Livelihoods of  
the Rural Poor: Agricultural Land Market**



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\_Agricultural Land Market

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## **Executive Summary**

For most of rural households involved in agriculture in Bangladesh, land is a very important asset which is a source of regular income, a security against famine, and the foundation of livelihood. Therefore, in rural area the traditional value system puts a high premium on the ownership of land. A question arises on the capacity of the prevailing situation in land market to eradicate poverty and inequality in rural Bangladesh and also generate infrastructural development.

This paper is an attempt to define and assess the various institutional and mechanical elements which constitute a land management system and which have a significant impact on the functioning of land markets. For the majority of the country's poor who live in rural areas, secure land tenure or access to land is vital to escaping poverty. Land reform that provides this security and improves land distribution disparity has proven to profoundly affect the poverty rate. The study starts with the statement of the problem, including the necessity of land reform and also draws a picture of land ownership.

The study aims to sketch the distribution of land ownership in Bangladesh. It analyses how existing land system aggravates poverty and inequality and aims to identify the beneficiaries of the existing arrangements. It also tries to assess the veracity of the proposition that Bangladesh is a viable case for state directed land reform.

Small holding family farming is said to achieve higher productivity and efficiency than mechanized farming. Land reform provides for a basic income with some limited surplus for poor families. The class structure and political climate are unsatisfactory. The agenda should be the empowerment of the rural poor. The alternative to land reform for maximizing the production from the limited land is contract farming which is beneficial for small farmers, and can free farmers from the risks of debt and market instability.

The paper illustrates a brief of land reforms in Bangladesh for the period of sixty years. At the outset, there was the zaminder system where the rent of the land was collected by

the zaminders. The system was abolished in a 1950s Act. In the period following independence, the limit for land ownership was fixed at 100 bighas by the Land Holding Act of 1972. Initiatives were taken for the redistribution of land. However, they were unsuccessful due to the absence of proper documentation. In 1984, the government published the first land reform ordinance which fixed a higher ceiling of land ownership. But this could not bring any significant change to the pattern of land ownership. The ordinance legalized the rules of sharecropping-farmers, landlords, and input providers.

There is a close relationship between land and agriculture in Bangladesh which is depicted in the paper. The people located in the rural areas attempt to purchase agricultural land through an array of financial arrangements. There is an overview of the various modes of financial arrangements which have been gathered from focused group discussions with the farmers. The paper tries to assess the reasons behind farmers' compulsion to sell land.

There are a large number of problems which existing in the land market of Bangladesh. The study overviews the various problems prevailing in the market with special emphasis on khas land and char areas. The prevalence of complex procedures in land transfer and the large number of stakeholders prevailing in land administration causes insecurity in property ownership. The paper aims to provide a picture of corruption prevailing in land administration. The study also highlights the condition of women in the context of land ownership.

After addressing these issues in the land market, the study concludes by filling in the existing gaps within policy intervention. The study aims to suggest ways for future land planning formulation with regards to environmental degradation and climate change. Some policy options are prepared to reform land administration and tenure reform. A specific section for advocacy agenda is made for a national campaign on agriculture regarding land market which would be supportive to small and marginalized farmers. This study will facilitate the undertaking of actions that would deal with the prevailing problems as well as protect the rights of the rural poor involved in agricultural activities. .

# **Chapter 01**

## **1.1 Introduction**

In the rural areas of Bangladesh, land is one of the most essential assets for people to overcome poverty. Land also ensures health and social security by generating employment, investment, social capital and collateral. Agricultural land refers to the share of land area that is arable under permanent crops and pastures. Secured access to land is vital for diverse land-based livelihoods, sustainable agriculture, economic growth, poverty elimination and equity. The landless comprises the poorest segment of the rural population. They survive under the poverty line. This group is forced to rely on wage labour, often on a piecemeal, daily, or seasonal basis. Landlessness is generally featured with a large degree of underemployment or a state of unemployment which burdens households in rural Bangladesh. If households are unable to cultivate their own land, sharecropping and leasing, on a seasonal or more permanent basis, is widespread. A variety of land tenancy and sharecropping systems exists in rural Bangladesh.

### **1.1.2 Statement of the Problem**

A substantial proportion of land is owned by absentee landlords, most of whom reside in urban areas. They let their land under sharecropping arrangements. In Bangladesh, virtually all arable land is generally used for agricultural production. Growing population has increased demand for food creating pressure on the land. Every year about 1% of arable land is being lost for giving accommodation to growing population. Besides, intensive cultivation is causing loss of soil productivity. Pressure on land will not subsist, so alternatives including sustainable techniques are crucial.

Land reform is essential for ensuring access to land for farmers and for those who depend on land for their livelihood. The present land tenure system in Bangladesh has emerged from the Land Reform Act of 1950. It abolished the *Zamindar* or Landlord system, introduced by the British colonial rulers, and ensured property rights for the farmers and dwellers. However, land reform in 1950 had not been able to ensure equitable land distribution to people of all tiers of the society. The local elite and powerful people absorbed the benefits of land reform and became the owners of vast areas of land, in the context of Bangladesh. However, the transition in land structure has been resulted in fragmentation of the large farm and proliferation of the small and marginal farms. As stated in Annex - I, the distribution of marginal and small farms has increased to 38.63% and 49.86% of the total farm holdings respectively in 2005 from 24.06% and 46.28% in 1983-84.

**Table 01: Distribution of Farm Holdings according to Size, 1983/84-2005 (as percentage)**

Size classification holdings	1983-84	1996	2005
Marginal (owning between 0.05 to 0.49 areas)	24.06	28.45	38.63
Small (owning between 0.50 to 2.49 areas)	46.28	51.42	49.86
Medium (owning between 2.50 to 7.49 areas)	24.72	17.61	10.34
Large (owning 7.50+ areas)	4.94	2.52	1.17
Landless	8.67	10.18	14.03

Source: Agriculture sample of Bangladesh – 2005 (BBS June, 2006)

### **1.1.3 Objectives of the Study**

- Trace the complex distribution and ownership of land in Bangladesh and seek to understand the reinforcement or advances in poverty and inequality of the current land system from a political-economic perspective;
- Identify the beneficiaries of the existing arrangement;
- Weigh the evidence against the literature: “Is Bangladesh a viable case for state directed land reform?” Critically assess the viability of this option with reference to the literature, history, and other cases. What would potential successes or failures be and are there better alternatives? Would tenurial land reform and more market-led approaches solve the problem?
- Formulate a land plan for the future with regards to environmental degradation and climate change. How can Bangladesh best plan for the worst case scenario?
- Utilize the findings of the study to:
  - Educate farmers, agricultural labourers and NGOs on the status of issues in land distribution and agrarian reform.
  - Conduct policy dialogue with government agencies, NGOs, farmer organizations and other stakeholders.



## Chapter 02

### 2.1 Land Market situation in Bangladesh (from 1950 to 2007)

The current land settlement system in Bangladesh has evolved from the *East Bengal State Acquisition and Tenancy Act* of 1950 which abolished Zamindar system whereby rent was collected against the land by the Zamindar, who in turn paid it to the state. That system had developed several tiers of rent seeking classes under the subordination of the Zamindar. However, the Act of 1950 had abolished all rent seeking between the state and the farmers. The maximum limit of ownership of land by a household was limited to a 100 bighas (33.3 acres) or 10 bighas per member of household, whichever was larger. In addition, the households were able to keep 10 bighas of land for the homestead. Any excess of this land was acquired by the government. However, the highest ceiling was revised upward to 375 bighas (125acre) per households in the 1960s due to political pressure from the rural land-owning elite and rent collectors.<sup>1</sup> This newly revised ceiling of land ownership per households was too high relative to the average size of holding in Bangladesh. In fact, there were only 529 families found with more than 375 bighas of land. So the redistributive effect from the land was minimal.<sup>2</sup> Moreover all acquired land was not cultivable as the landlord had chosen to retain only cultivable land and the redistribution process progressed very slowly. Atiq Rahman in 1982 mentioned that land redistributive system in 1950 had an insignificant impact and a new group of intermediaries evolved to replace the old ones. The only marginal change was came from an increase in land revenue.

Following independence, the Awami League (AL) Government had fixed the upper limit of land ownership per households to 100 bighas (0.33 acre) by the *Land Holding*

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<sup>1</sup> Hossain, Mahbub and Rahman.R.I (2003)

<sup>2</sup> The total amount of excess khas land acquired was only 164 thousand acres. This was 1 percent of the net cropped area fo 1947/48. The distributable land per landless labour was (man and women above 12 years of age of estimated in the 1961 census. Atiq Rahman 1982

*(Limitation) Order of 1972*. They had also taken initiatives to redistribute the excess land to the landless. However this initiative could not succeed due to an absence of land ownership records. Further, most of the acquired land was uncultivable, waste land. According to the government, the amount of land in excess of the ceiling was about 800,000 acre which was 3.6 percent of total arable land of Bangladesh at that time. However, they could acquire only 146,000 acres of land.<sup>3</sup>

In 1984, the government had published the *Land Reforms Ordinance 1984* which allowed the retention of the highest ceiling of landownership at 100 bigha per household. However, becoming a land owner by purchasing a new piece of land was restricted to 60 bighas (20 acres). This new ordinance did not bring any significant changes in the land ownership pattern. However, the *Land Reform Ordinance of 1984* had legalized the rules of sharecropping. Under this ordinance the produced crop would be divided in three shares - one for the farmer, another for the landlord and the other for the input provider. In the case of shared input costs by the sharecropper and the land owner, the produced crop will be shared by both parties equally. Under this act, selling land to any person other than the family members of the sharecroppers was prohibited and there should be a signed legal contract for five years between the tenant and the landlord. However, in practice, land tenancy system in Bangladesh is still settled verbally .So the provision had no effect on the tenancy system.

### **2.1.1 Issue of Land Reform**

Despite the popular sentiment, policy makers in Bangladesh have been arguing for some time that land reform is unnecessary. According them, improved land management is the key. We need to consider, based on the perspectives of those who actually live on the land, the path Bangladesh takes. The main debate on land reform, according to available literature, is hovering around question of productivity increase. History tells us that small

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<sup>3</sup>Hossain, Mahbub and Rahman.R.I (2003)

farms in Bangladesh are efficient in increasing agricultural productivity by themselves. For example, a small family farm with a relatively abundant labour supply will typically utilize every little bit of their land, and will most likely do so in the most sustainable way so as to ensure future return from it. Labour intensive production techniques and the relative abundance of labour make this a viable production strategy for the household. The low cost of labour makes small farming worthwhile. The labourers can also earn by giving similar efforts wherever they are paid. Therefore, small-holding family farming achieves higher productivity and efficiency than mechanized farming, on a per hectare basis.

Even if productivity does not increase, there are still strong reasons to support land reform, starting with the argument of equity. In a country like Bangladesh, with a large rural population, a high degree of landlessness, and very high unemployment, land provides employment and social security. In Bangladesh, the agricultural sector accommodates 48.1 % percent of total labour force of Bangladesh and its share of GDP is about 21%.<sup>4</sup> If land reform does not result in substantial wealth, it provides a basic income with some limited surplus for poor families. This is another reason to support land reform regardless of productivity. Even if output does not increase, employment for all rural dwellers will probably lead to higher aggregate economic activity in the rural areas. Given other macroeconomic factors, such as the multiplier effect of local consumption, or the simple fact that large land holders tend to accumulate their profits and transfer them out of the rural areas, small-holders would tend to spend or invest most of their income within the local economy, providing much more potential for diversified local capital accumulation.

A number of constraints make the potential for land reform less than likely. Most of these have to do with the class structure and political climate of the country. The agenda should be to build the power of the rural poor. In order to do so, a complete restructuring of power relationships is required. This sort of restructuring usually does not happen at the

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<sup>4</sup> Bangladesh Economic Review 2007-08, Ministry of Planning, Government of Bangladesh

behest of the state, but is directed from the bottom - by the actions of the people who are adversely affected by an unequal land distribution. Indeed, all cases of radical land redistribution have been accompanied by equally radical political shifts of power (Khan 2004).

### **2.1.2 Alternative to Land Reforms for Maximizing Limited Land**

In a land scarce country like Bangladesh where distributive land reform is considered too difficult to implement, contract farming has been seen as a step towards dynamic agrarian reform. Although confronted with variations in these arrangements, farmers provide the labour and land for the production of crops or diversified farming activity such as poultry farming. The contracting party provides other items like the tools, technology and capital for the production, as well as access to the market for goods. The risks associated with market volatility are also shifted from farmer to contactor.

The evidence demonstrates that small farmers, who on their own cannot meet the increasingly high demands of consumer driven markets, do comparatively benefit from these arrangements. However, contract work has the potential to be highly exploitative and associated with the risk of indebtedness. In the absence of public services, contract farming can create potentially devastating dependence by small farmers on the technology, credit, inputs, and services provided by their contracting companies. Farmers working under contracts should be supported in forming collective organizations. As a group, farmers will have better bargaining power and can pressure agribusinesses to agree to better terms and conditions, as well as find support from the government and NGOs to help monitor agribusiness activities and ensure compliance with contract agreements.

## **2.2 Present Land Distribution in Bangladesh**

Marginalization of farm holding is one of major characteristic of the farms in Bangladesh. Table 1 told us that percentage of marginal land holding has increased to 38.63 percent of total farms in 2005 from 24.06 percent in 1983-84. The share of land held by the smallest groups is increasing. Over the years total land available for agriculture in Bangladesh has been decreased. Annex -III shows that in 1960 total operated area was 21,727 thousand acres which has declined to 19,974 thousand acres in 1996. Average land holding size during this period has dwindled to 1.70 acres from 3.53 acres.

This suggests that fragmentation is occurring in the land. Increased population pressure is leading the marginal fractions to disappear. Arable land mass is diminishing at about 1% every year because of overuse and environmental distress. Low per capita land and job opportunities in the non-farm sector have made the land distribution system uneven even though there are only a small number of large landholdings. The number of farm holdings has doubled from 6,140 thousand in 1960 to 11,709 thousand in 1996. Consequently, land holdings are becoming disintegrated into consecutively smaller segments. The number of small and marginal holdings has increased to nearly 80 % in 1996 from 52 % in 1960. Correspondingly, the number of large farms has declined over this period from 10.7 percent to 2.5 percent of the total farms.

## **2.3 Increase of Landlessness**

Ownership of land is important not only for agriculture purposes but also for ensuring social dignity in village life and engagement in other non-farm economic activities. The Census of Agriculture 1983-84 revealed that the number of landless households (Table 1) was about 50%. It has increased to about 58 % in 1996. Although absolute landless household, by this time, decreased at a rate of 2.93 % annually, the functional land less (category II and III) has increased at high rate of 5.23 percent and 2.42 percent per annum

respectively. The important thing to be considered is that if we take the number of marginal landless in account the figure balloons to about 72 % i.e. they are always in a vulnerable situation.

The trend of land fragmentation points to the non-viability of such holdings due to economies of scale. With the rise in input costs, most of the holdings have a chance of becoming unfeasible for cultivation. There remains a threat of being forced to sell small farms to the larger commercial ones that employ more capital intensive technique in order to ensure economies of scale. However, this causes large-scale unemployment of the rural labour force. With a limited scope of jobs in the urban sector to absorb this surplus labour, a disaster awaits.

**Table 01: Distribution of Farm Landless Households in Relation to the Rest of the Households and Their Growth Rate**

Category of Households/ landless	1983-84		1996		Growth (%) per annum
	Number of HHs, '000	%	Number of HHs, '000	%	
Landless; category I (households without homestead land )	277	2.00	162	0.91	-2.93
Landless; category II (Household with homestead but cultivated land )	2714	19.64	5003	28.06	5.23
Landless; category III (Household with homestead and cultivated land up to 0.2 ha)	3898	28.21	5191	29.12	2.42
		49.85		58.09	
Near landless; category IV (marginal) (Household with homestead and cultivated land from 0.21 to 0.4 ha)	1703	12.32	2494	13.99	3.23
Rest of the households ; category V	5226	37.82	4976	27.91	-0.39
All	13818	100	17828	100	2.15

## **2.4 Land-Agriculture Relationship in Bangladesh**

Agriculture is a part of the life and livelihood of rural Bangladesh. An increasing number of small-farm holdings and their sustenance reveals that small landholders are keen to hold onto their last portion of land. Landlessness is considered in Bangladesh as a sign of distress. Owners of large amounts of land are considered as the elite within the rural power structure. In order to understand the relationship between agriculture and farmers, we have to consider tenancy arrangements, administrative arrangements, political influence and financial provisions. The marginal farmers regularly become victims of malpractice within this arrangement.

### **2.4.1 Tenancy Arrangement**

Land tenure is an important indicator in monitoring agrarian reforms and this piece of information (land ownership and operation) was considered in every module of the census and surveys conducted in Bangladesh. Some of the basic statistics which are relevant for monitoring agrarian reform policies and land administration are shown in Table 02. It can be observed from Table 02 that there are three typical types of farm holdings found in Bangladesh- farms operated by the owners, owner cum tenant farms and tenant farms. The land distribution pattern by types of tenure remains more or less stable with a somewhat relative decrease in owner-cum-tenant farmers as well as the area on which they operate. An insignificant percentage of tenant farms (1.39 percent in 1983/84 and 3.48 percent in 1996) are observed to operate on an insignificant percentage of land (0.55 percent in 1983/84 and 1.90 percent in 1996).

**Table 02: Percentage distribution of farm holdings and area by type of tenure**

Type of tenure	1983-84			1996			2005		
	% of farm holdings	% of area	Average size (acre)	% of farm holdings	% of area	Average size (acre)	% of farm holdings	% of area	Average size (acre)
Owner	62.78	58.76	2.13	61.66	58.51	1.61	69.76	73.32	1.06
Owner-cum-tenants	35.83	40.69	2.58	34.86	39.59	1.90	23.73	24.08	1.02
Tenants	1.39	0.55	0.89	3.48	1.90	0.88	6.51	2.60	0.40
ALL	100.00 (10196)	100.00 (23170)	2.27	100.00 (11797)	100.00 (20208)	1.71	100.00 (14536)	100.00 (23620)	1.01

**Source: Agriculture Census Survey, 2005**

Furthermore, Table-02 shows that the average size of farms is getting smaller for all types of tenure. Average size of owner-cum-tenant holdings was higher than that of owner holdings in both the 1983/84 and the 1996 census. This was however slightly higher for owners (1.06 acre) than that for owner-cum-tenant holdings (1.02 acre) in 2005.

The proportion of area under tenancy is observed to increase from about 17 percent of the operated area in 1983/84 to about 22 per cent in 1996 (Table II) This change may be due to the rapid rural-urban migration along with increase of absentee land owners and the abandonment of some farms in favour of taking up rural non-farm occupations.

The extent of share tenancy in rural Bangladesh has declined, giving way to fixed rent tenancy and medium term leasing arrangements. These institutional changes are assumed to enable tenants to derive some of the benefits of additional investment in agriculture inputs. Fixed rent tenancy has been crop specific and season specific and has been



confined to the cultivation of HYV rice in the Boro and Aman season. Thus, households associated with fixed rent contracts have the lowest crop diversity. Productivity is also higher on fixed-rented land than on sharecropped land. The number of owners and owner-cum-tenant farms has also gone up quite considerably between 1983-84 and 2005.

## **2.4.2 Contract Farming**

"Contract farming" is a form of vertical integration where the farmer is contractually bound to supply a given quantity and quality of product to a processing or marketing enterprise. The buyer agrees in advance to pay a certain price to the farmer and often provides technical advice and inputs, the cost of the inputs being deducted from the farmer's revenue once the product has been sold to the buyer.<sup>5</sup>

BRAC, the largest NGO in the world and a leading agro-business company is engaged in contract farming with the farmers in the Comilla region. They produce French bean and export it abroad. Farmers have a sort of formal contract but it is not a legal contract in the sense that it cannot be enforced in court.

Contract farming has so far not resulted in a significant improvement in the livelihoods of small farmers in developing countries because buyers generally prefer to deal with large-scale producers who are better placed to meet the stringent quality and timeliness requirements.<sup>6</sup>

PRAN Group –the largest agro-processing company of the country have been contract farming in rice, pulses and tomatoes. They have been very successful in producing aromatic rice, which has captured a good market overseas. Contract farming was initiated in the Barind region of Rajshahi.

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<sup>5</sup> [http://en.wikipedia.org/wiki/Corporate\\_farming](http://en.wikipedia.org/wiki/Corporate_farming) logged on 15 August 2008.

<sup>6</sup> [http://en.wikipedia.org/wiki/Contract\\_farming](http://en.wikipedia.org/wiki/Contract_farming)

**Box 01-Market Access for contract farmers: promise not kept**

While visiting the Barind areas to search for a farmer who was engaged in contract farming with PRAN group, a man with extreme anger pointed his finger to me as a betrayer seeming that I am an official of that company. The name of the man is Dalim Sarker.

He explained the fact that the company did not buy his produce with other farmers in the last season without explaining anything. So, they waited for anyone who can come to his area to buy the produce as they do not have the ability and cannot afford to go for the regional market it 120 miles away from their locality.

“It was a total loss as I cannot get any customers for my produce and I swear not to have contract-farming with the company any more. “

Source: Titumir, 2006

The contract is between the centre-head and PRAN. It is a legal contract and it specifies the amount of rice produced, quality and the approximate delivery date of the product. The centre-head is actually doing the job of the middleman in the sense that he buys the rice from the farmers and then sells it to PRAN and gets the commission. One should note that the farmers are not directly contracted by the company –the contract takes place ignoring the concerns of the real producers. The disadvantages faced by the farmers are not taken into consideration directly by the company. Although the market access for the produce is assumed to be ensured by the company, it does not always favor the producer. If company is not ready to pay the just price, the farmers seldom have another choice, as the aromatic rice of the type has no demand in the local market and they have to go for the regional market quite far away from the cultivating area. During a field visit to Comilla, farmers argued that if the company buys the rice at the market price that they mandated, there is some profit left for farmers. It is assumed that the profit of PRAN group is much higher than that of the farmers though the systemic statistics are unavailable to make draw such a conclusion. However, it is affirmed from the field study that the farmers are always exposed the risk of lack of market access and in last year the company did not agree to buy the products, as their profit margin seemed to have been

slashed. Farmers have no legal rights to claim market access from the company, as they are not the party contractually bound with the company.

### **2.4.3 Financial Arrangement**

The land market cannot be discussed in isolation of the credit market. The poor farmers get credit by mortgaging their tiny piece of land to formal and informal financial sources. The formal sources include agricultural lending banks such as Bangladesh Agricultural Bank. The semi-formal sources include micro-finance organizations. The informal sources are local money lenders. The reason behind mortgaging land includes buying agricultural equipments or input and pay irrigation costs or meeting consumption demand.

Contractual arrangements in the credit market very often are such that the peasants are allowed to continue as share croppers in the land which is mortgaged by the peasants for borrowing. The risk of being helpless labourers compels the petty owners to hold on to their land although their income accruing to them is very little, sometimes lower than earnings from wage labour. This tendency of the rural farmers is indicative towards pauperization without necessarily culminating into polarization.

It is therefore, not difficult to see why the participation in the land market cannot be divorced from the totality of the activities of survival and hence its links with labour and credit. Land markets remained inert to the situation wherein the peasants persisted with their tiny holdings, bidding high rents in the lease market but failing to accumulate enough money to enter into the land market to buy an asset.

### **2.4.4 Mode of Financing Land Purchase**

The rural people finance the purchase of land from different sources as observed from a survey which can be classified as agriculture income, non-agriculture income, remittance, borrowings, interim sales and purchases.

- **Agricultural Income**

Agricultural income refers to income earned by the marketable surplus above the subsistence requirements of the household and productive consumption requirement for agricultural production. Part of this income could also be in the form of rent for leasing out agricultural land (in cash or in kind). At the same time, wage labour activities in agriculture could also be a part of agricultural income.

- **Non-Agricultural Income**

Non-agricultural income sources of finance refers to the mode of finance where the funds used to purchase land have been obtained from profit on trading, savings made out of the salary earnings from different types of services and remittances received for urban sector or from foreign countries. When such non-agricultural income is used by the household for financing land purchases, it is perhaps true that the household is deriving its sources of subsistence from owned or operated land. In many instances success of land accumulation through such mode presupposes a minimum cushioning effect of land based earnings.

- **Remittances**

In Bangladesh, majority of migrants are generated from the rural areas and poor communities. Remittances allow the poor people to increase the expenditure on both durable and non-durable goods. Whenever people go abroad, the major source of financing their costs come from the sale or mortgage of their agricultural. The critical reasoning of utilization of remittances in Bangladesh shows that 11.24 percent of total remittances are used for purchasing of agriculture land.<sup>7</sup> During the field survey, it is

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<sup>7</sup> INAFI Bangladesh Working Paper Series No. 1 on 'Harnessing Remittances for Economic Development of Bangladesh', INAFI Asia International Conference on Migration and Development, 23-27 May, 2006

found that the son (or close relative) of well-off farmers have gone abroad sent money, priority is given to release the mortgaged land or to buy agricultural land.

- **Borrowings**

People borrow money from the money-lenders at usurious rates of interest, from friends and relatives at no interest, through mortgaging out land borrowing from institutional sources like Krishi Bank (Agricultural Bank) or other financial institutions.

- **Interim Sales and Purchases**

Interim sales refer to a sale of land by the respondents if one or more plots of land are sold to finance purchase of another piece of land. Rural households resort to this practice to acquire proximate plots in exchange for distantly located ones. Considerations relating to land quality and access to irrigation facilities may also motivate such transactions.

- **Mixed Sources of Finance**

A purchase of land could also be financed by mixed sources which are a combination of the above sources. In fact, it is very difficult to isolate sources of finance. As households have a diversified source of income, it is difficult to tell where the income for financing a specific land purchase has come from.

#### **2.4.5 Motivation for Land Sales**

In the absence or near absence of alternative income earnings sources which are stable and also reliable, rural households tend to cling to land. In these circumstances, the land market remains inert and land alienation observed among the rural households is to be viewed from the perspective of a survival strategy of the households. So far, three

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motivations for land sales are identified from a field survey in Comilla and Tangail. These are -

- Distress sales
- Asset transformation and interim land sales
- Diversification of economic activities

- **Distress Sales**

Distress sales are triggered off when the immediate survival of the households is threatened. This may arise when rural households face severe imbalance between income and expenditure. In such situations, they are left with no alternative but to sell land. Poor peasant households may however adopt a strategy of consumption curtailment for consecutive years, thereby postponing the process of land alienation. Due to acute imbalance between income and expenditure (caused by major crop losses, shocks from natural disaster, physical illness leading to loss of work days, expenditure on marriage and rituals, debt obligations and litigations) compulsive sale of land occurs and this is termed as a distress sale. The immediate purpose of this sale is to bridge the gaping gap between income and expenditure.

- **Asset Transformation**

Land is sometimes sold by the rural households with the objectives of attaining command over other forms of assets like housing and residence, transport vehicles, irrigation pump sets, rice hullers, bullocks and plough. Land may also be sold for buying another plot of land or for the purpose of moving out to the urban areas. Non-productive use (or non-income generating) like acquisition of jewelry, financing matrimonial functions and house building could also motivate land sales in rural areas. Land purchases through asset transformation do not change the basic wealth position of the household. What is really indicative is that households make a readjustment in their wealth holding by substituting relatively insecure and less valued wealth like land.

At times, small farmers selling small pieces of land to buy bullocks and a plough set which enables the farmer to cultivate his land more intensively and to utilize family labour resources in a more effective way by leasing land, while asset transformation do not indicate a major qualitative change in the wealth position of the households.

- **Diversification of Economic Activities**

Land may be sold with the objectives of diversification of economic activities of the members of the households, like getting jobs in the urban areas, going abroad, investing in trade and commerce. The outcome of such diversification depends on their success. Attempts for diversification may easily turn into failure.

## **Chapter 03**

### **3.1 Issues in the Land Market**

#### **3.1.1 Problem of Rural Insecurity and Instability**

Because land is considered as a means of achieving social power in rural areas, people want to get control over land by any means necessary. As a result, disputes over land often turn into violent clashes and cause human losses. Violation of land rights is not a class issue, rather an effect of administrative and institutional failure. Evidence suggests that, in rural land disputes, farms of all size and classes can gain or lose land.

Land related insecurity could result from the conflicts over property due to many reasons as well as the court cases which ultimately leads to insecurity in the livelihoods of the people. Poor people have very weak ties with the power structure and face the major problems of land related insecurity. *Mastans*, *jotders* and local elites always use their

power and influence to grasp land from the poor. although the available database is insufficient to conclude this with much confidence, the analysis of the processes relating land insecurity points out the issue of severe insecurity of the poor and marginal people within the domain of the primitive accumulation structure in Bangladesh.

The encroachment of public property intensifies the misery of the landless people as their rights are violated and the title goes beyond their grips with the illegal possession of the grabbers. The possession related violence of public land makes life insecure for the landless people as the political patronage of *mastans* and *jotdars* always pressurizes the landless to flee from their land. Administration, police and other state functionaries also harass the poor in connection with confrontation with the power holders. Chars are the classic example of land related insecurity faced by the marginal people in Bangladesh. Every single day, the landless people struggle for their rights with the political people, police, administration, *mastans* and legal bodies.

Besides grabbing of public land, grabbing of water bodies and wet lands also adversely affects the poorer section of the population as they are the primary victims of flood, water logging and drainage collapse as they live in low lands. They have no choice but to go for a better living, have to comply with the adverse reality primarily created by the greedy grabbers.

Suffering to the poor people is magnified when the cases over conflicts of privately-held land are taken to the court for trial. The court system often functions regressively for the poor. System of petition and process require huge sums of money and time to spend - often beyond the power of the poor. The long time for completion of the cases affects the poor people in two ways. Firstly, it loses them a huge sum of money that is very difficult for poor to collect; sometimes, they borrow it from the moneylenders at very high interest rates. Secondly, the long time disputes ultimately serve the grabbers as they grabbed it and enjoy the title as long as the court does not decide.



### 3.1.2 Issues on Khas Land

The contest of grabbing by forcing or depriving the poor illegally by the vested interest of groups for *khas* land often results in violent clashes and threatens human security. The landless poor get priority in the distribution of government *khas* land. Life of ordinary people becomes insecure with the *mastans*, *jotdars* and politically linked grabbers. Again the distribution system does not function in favour of the poor through the link of the elites with the power structure and state functionaries. Though by constitution *khas* land is prioritized to be distributed to the landless people, previous distribution records do not essentially postulate the mandate at all. According to Barakat's (2001)<sup>8</sup> estimation, wealthy and influential people have been the beneficiaries of the distributed *Khas* land. Of the 12-lakh acres of cultivable *Khas* land distributed between 1980 and 1996, 88 percent went to wealthy and influential people, whereas only 12 percent went to the landless. It is particularly important to point out that the government has no systematic data on the share of landless people on distributed lands.

**Table 03: Encroached property**

(in lakh acres)

Land type	Bangladesh Government <sup>9</sup>			BZR <sup>10</sup>		
	Available	Encroached	%	Available	Encroached	%
<i>Khas</i> land	14	5	35.7	33	10	33
Vested Property	6.43	4.45	69.2	21	18.9	90
Waqf Property	9	7	77.1	-	-	

Source: Titumir, R. and G. Sarwar (2006)

Available data on grabbing of public land differs substantially; still all data affirms that the public property encroachment by the grabbers is significant. According to Bangladesh government 35.7 % of *Khas* lands are encroached on by the illegal grabbers while the

<sup>8</sup> Barakat, A, S Zaman, and S Rahman (2001), *Political Economy of Khas Land, Bangladesh*, ALRD, Dhaka.

<sup>9</sup> Parliamentary Standing Committee on ministry of Land published report submitted to JS in 2004

<sup>10</sup> Abul Barakat, S Zaman and S Rahman (2001), *political economy of khas land Bangladesh*, 2001, published by ALRD, Dhaka

Barakt (2001) <sup>11</sup> puts the figure at 33%. In case of the vested property, the grabbers encroached about 69% according to Bangladesh government, while Barakat (2001) estimated it to be 90%. The only data from the government of Bangladesh on WAQF properties shows that over 77% of the category is also grabbed by the encroachers. Though the absolute amount of grabbed land among the sources varies significantly, the percentage point some how shows similar intensity of grabbers occupation. (Table 03)

Different sources employ different figures for *Khas* land in Bangladesh in their study insisting a strong dispersion among the data. While the government has two different statistics on *Khas* lands and Abul Barakat, S Zaman and S Rahman (2001) have also made an estimation of their own. The Land Ministry suggested in their report that the available *Khas* land was 14 lakh acres publishing 53 district database of *Khas* land in 2004. A study carried out by Abul Barakat, S Zaman and S Rahman (BZR)(2001) estimated that the *Khas* land in Bangladesh is 33 lakh acres while referring to the government data (Table 04)

**Table 04: Available *Khas* land in Bangladesh**

Source	Amount (Acre)
Land Ministry, 2003 <sup>12</sup>	6 lakh Acres
Parliamentary Standing Committee on land Ministry, 2004	14 Lakh Acres
Abul Barakat, S Zaman and S Rahman, 2001	33 Lakh Acre

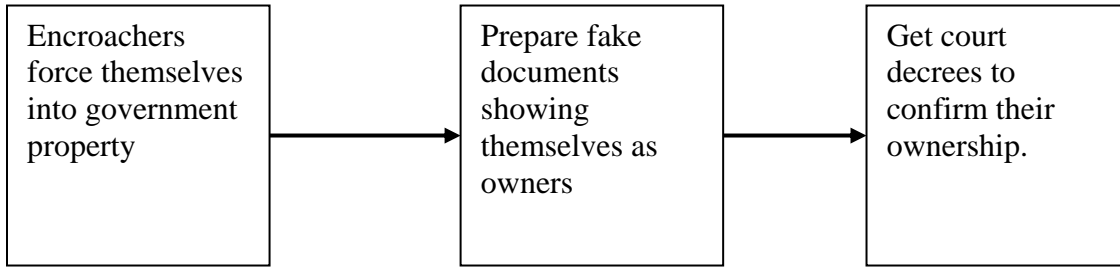
Source: Compiled by the Author, 2006

In Bangladesh there are *Khas* lands, chars, forests, water bodies, rivers- all are prone to occupation through political contests and patron-client relationships. Encroachers force themselves into government property and prepare fake documents that attest their ownership. They then get court decrees to confirm their ownership.

**Figure 2: Typical process of grabbing of public lands**

<sup>11</sup> ibid

<sup>12</sup> . From speech of then Land Minister in the Budget session of parliament, 2003



If one observes the process of accumulation minutely, one can notice that forceful encroachment into the government land is not an easy task to carry out and it essentially needs strong ties with the administration and the political parties which are somehow manageable in the environs of the patron-client relationships in politics. Land administration and management departments assist on making fake documents and lower courts give the decree of ownership. Local influential persons, powered by family aristocracy or own mastans, linked with the political parties are the major grabbers of the public land both in the rural and urban areas.

### **3.1.3 Issues on Char Lands**

Violence in chars in Bangladesh regarding land is acute, posing the severe risks to the lives of the landless people. Amongst others, chars are also major areas of conflict related to land occupation. According to ISPAN (Irrigation Support Project for Asia and the Near East) in their publication *Riverine Chars in Bangladesh* in 2000, Bangladesh had around 1,722.89 sq. km of char lands in her five major rivers. In addition, there are a lot of chars on minor rivers of the country. Extreme violence is seen in the chars as political patrons, mastans and jotdars are directly engaged in the eviction of the landless in different chars in the name of lease contracting from the government. Local law enforcement agencies like the police are also involved in these operations of eviction of the landless. There are also numerous cases of police harassment, rape, and murder in the process. Sometimes the war-like situation arises from the private forces of the jotdars locally known locally as *Lathials* and the landless people confront each other to assume their claims on the land.

### **Grabbers occupy Government land worth Tk. 500 crore illegally**

Around four hundred land grabbers have occupied government properties worth of Tk500 crore illegally in Rupganj as the administration remains inactive.

They have grabbed land belonging to the government, occupied local markets, and encroached on the land owned by Roads and Highway Department and Water Development Board.

Most of the lands have been grabbed from the area of Tarab, Noapara, Murapara, Rupsi, Bhulta, Golakandail, Kanchan, Borpa, Kayetpaar, Soughat, Modhukhali, Borab, Ariyab and Jatramura under the Rupganj upazila. Sources said that the land grabbing activities are rampant in recent years as the prices of the these lands have increased because they are located at the vicinity of capital

A field investigation conducted by the correspondent shows that influential people including industrialists in association with the local hoodlums have grabbed the land and set up residential and commercial buildings, club, factories etc.

Though the administration has planned to evict the illegal proprietors in several times, the eviction activities has not been implemented yet for unknown reason.

Extracted from The Daily Sangbad, 15.07.05

**Table 05: Available Char Lands in Bangladesh**

<b>River</b>	<b>Chars ( Sq. Km)</b>
Jamuna	987.60
Padma	508.27
Meghna (North basin)	46.27
Meghna (South basin)	180.75

Source: ISPAN, 2000<sup>13</sup>

<sup>13</sup> *Riverine Chars in Bangladesh* in 2000, ISPAN -Irrigation Support Project for Asia and the Near East, Dhaka

### 3.1.4 Privately Owned Land

From the government sources, it is estimated that there are about 8 lakh land related cases pending as at 2004 while Abul Barakat and Prosanta Roy in the same year calculated 32 lakh land related cases pending in the courts.<sup>14</sup> The study also pointed that the cases need an average time of 9.5 years to settle. The findings of the study calculated that about 150 million people are affected while the country comprised of 130 million people in total. They argued that the affected population is larger than the total population as the same people are affected with different cases. In Chittagong Hill Tracts (CHT), as of May 2003, some 35,000 cases had been filed, involving land disputes between the indigenous peoples and the state-sponsored settlers (Dictaan-Bang-oa, 2004)

**Table 06: Land cases in Bangladesh**

Source	No. Of Cases pending <sup>15</sup>	Affected population	Average time of completion of land cases
Bangladesh Government, 2004	8 Lakh	-	
Abul Barakat, Prosanta K Roy, 2004	32 Lakh	150 million	9.5 Y[ears

### 3.1.5 Land Administration and Insecurity over Property

Land administration and management system is also a major area where excessive disputes arise around land. In case of privately owned lands, the majority of the disputes occur due to weak record keeping, corruption and administrative weakness to settle through transparent and accurate documentary. Although the power structure and political forces are indirectly engaged in the majority of the disputes, the data and records of land are the main areas where powerful grabbers concentrate to harass the general owners.

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<sup>14</sup> Barakat (2004)

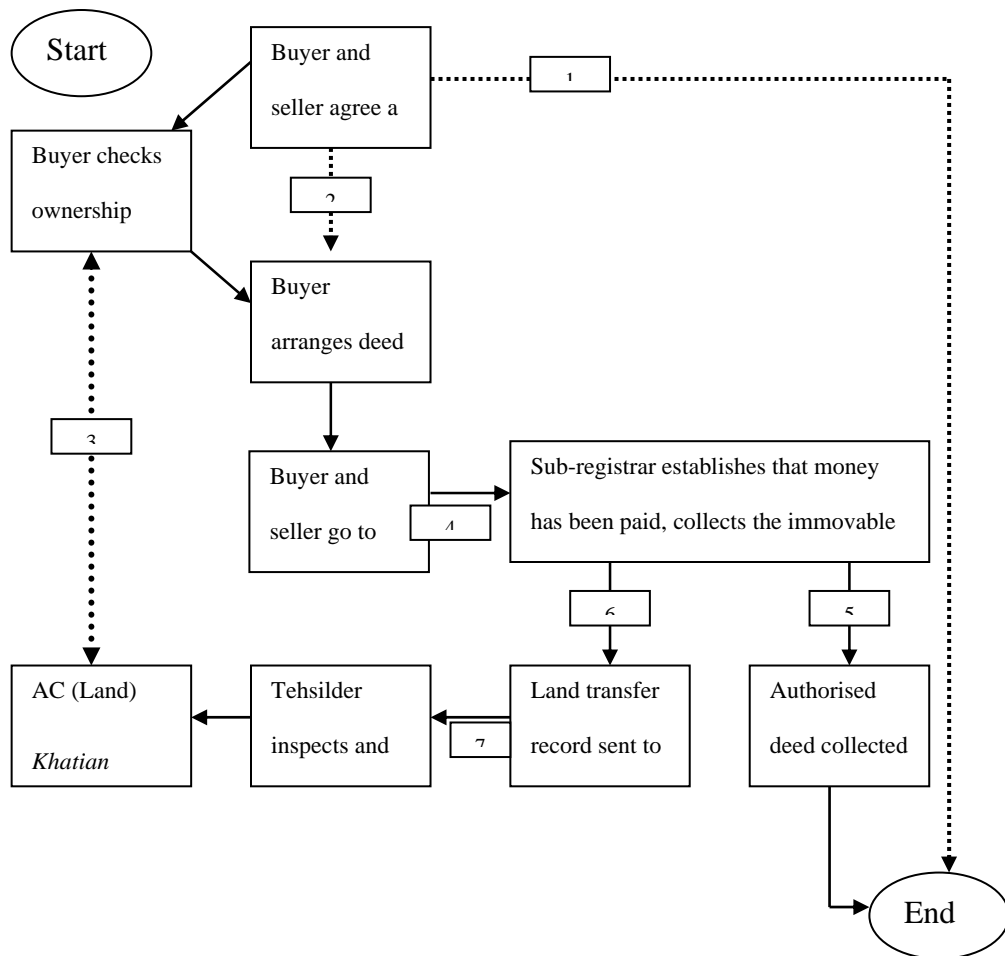
<sup>15</sup> Ministry of Law and Parliamentary Affairs, GoB, 2004

The land transaction system in Bangladesh is very complex and full of cumbersome processes. As is found from Figure 03, in case of transfer of property there are many stakeholders present in the system, often alleged of deep-rooted corruption. The process starts with buyers' and sellers' agreement on price and passes through the AC land, Tehsilder and Sub-registrar offices for checking the Khatian records, making deed and paying rated taxes. In all the stages, there remains much corruption. In the process of land transfer, there persists massive corruption in the all stages of the land management and administration system. TIB calculations estimate that the corruption regarding land in their yearly report on corruption database. According to their 2004 report, they calculated that the people paid on average Tk. 3,764 for land registration, Tk. 2,047 for land mutation, Tk. 961 for collection of land related documents, Tk. 2,370 for land survey, and Tk. 9,575 for *Khas* land as bribes. In another study carried out in 2001 by Kaneez Siddiqui<sup>16</sup> which estimated that the average spending of the people at land survey office was Tk. 400 at the land registration office, Tk. 1009 at the land settlement office, Tk. 953 at the Tehsil office and Tk. 368 taka as bribes. Another study by Barakat in 2001 on *Khas* land estimated that about Tk. 7,000-10,000 was required for payment as bribes in order to get 1 acre of *Khas* land. Though the estimation differs among the sources, it can be easily seen that the corruption is huge in the land related operations of the different functionaries of the government.

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16 CARE SDU Reports and Studies , Land Policy and Administration in Bangladesh-A Literature Review of Care Livelihood program May,2003

**Figure 3: Land Transfer Process**



It is always argued that the land related insecurity of the people will be lessened if the administration system is updated with higher efficiency and transparency. There still remains some valid concern regarding the long-term effectiveness of administrative and management changes in a society where primitive accumulation makes space for the vested interest groups to appropriate from all types of irregularities in Bangladesh. A lot of stakeholders in the whole system of land administration and management need to function properly with holistic changes in the politics and the system of democracy. It is always observed that the massive corruption and administrative failure of the state is a

function of irregularities in the superstructure especially in the political environs characterized as so called patron-client politics.

### **Corruption on land administration**

#### **Estimation 1: Transparency International Bangladesh, 2004**

- 97% households who bought land had to pay an average amount of 3764 taka as bribes for land registration
- 88% households who mutation of their land ownership had to pay 2047 taka as bribes on an average for land mutation
- 85% households who collected land related documents had to pay average amount of 961 taka as bribes
- 83% households had to pay Taka 2370 on an average as bribes for land survey
- 40% households who received *Khas* land had to pay taka 9575 on an average as bribes.

#### **Estimation 2: Kaneez Siddiqui, 2001**

<u>Functionaries'</u>	<u>Average size of bribe (in taka)</u>
Land survey office .....	400
Land registration office.....	1009
Land settlement office.....	953
Tehsil office.....	368

#### **Estimation 3: Abul Barakat, 2001**

About 7000-10000 taka required paying as bribes in order to get 1 acre of *Khas* land.

Updated mechanisms like computer based data management systems can help resolve the minor cases of land disputes through better management. The whole system of land administration and management needs to be very transparent in the fields of data availability and accuracy.

In the urban and semi-urban areas real estate business houses accumulate lands from the weak owners and the owners who own land in the area in a very offensive non-market system. The real owners are evicted from their lands in a sense, as they have no other way to protect their land while living in the grips of the big landlords. In the coastal areas, growing shrimp cultivation evicts thousands of small landowners, as the cultivators need more and more land to increase the farm's profits. The lands in the *Ghers* are forcefully



used even though the landowners do not consent. There are strong patron client relations with primitive accumulation in the land market of the urban and coastal areas. This poses a major threat to the small landholders as they lack the power and ability to protect them from such aggression.

#### **Poor farmers losing lands to shrimp farm owners**

Poor farmers of the coastal upazila of Galachipa in the district are losing their lands to the lust of a section of people who have got shrimp cultivation flourished there for profit making.

Among the farmers, Gauranga Das, 45, has lost his three acres of land to the lust of the vested group. Gauranga Das after losing everything what he had to the onslaught of river erosion has been maintaining himself and his family members with income from three acres of land for the last 20 years. The vested group grabbed his land for setting up a shrimp farm. The same group grabbed 15 acres of land of Shafiqul Islam, 1.50 acres of land each from Abdul Mannan, Swapan Hawlader, Hanif and eight acres of land of Alam Khan.

Among the land losers, only Shafiqul Islam dared protest the land grabbing. He filed a complaint with the Police Super of Patuakhali alleging that the vested group built cross dams across his lands and that he in his acts of protesting has been facing death threat. Farmer Abdul Mannan informed that the group had grabbed his lone 1.50 acres of land that he as a real landless farmer got from the government allocation of khas land.

The Independent, January 3, 2004.

Public property all over the country is grabbed massively as the prices of the lands are going up. The economic force prevails with the patron–client relations in politics and makes the issue of land grabbing in Bangladesh the more acute than any other time.

### **3.2 Climate Change Impact on Land market**

Bangladesh is trapped between the Himalayas in the north and the encroaching Bay of Bengal to the south. It is most vulnerable to natural disasters due to the frequency of extreme climatic events and its high population density. Floods are frequent and cause the greatest economic and human losses to the country. The flooding problems are

exacerbated by sediment transported by three major rivers- the Ganges, the Brahmaputra and the Meghna.

Climate change poses significant risks for Bangladesh. The impact of higher temperatures, more variable precipitation, more extreme weather events, and sea level rise are already being felt in Bangladesh and will continue to intensify. The impact results not only from gradual changes in temperature and sea level but also, in particular, from the increased variability in weather and natural disasters, including more intense floods, droughts, and storms. In Bangladesh, climate change will affect many sectors, including water resources, agriculture and food security, ecosystems and biodiversity, human health and coastal zones. In the short term, global warming increases risk of flooding, erosion, mudslides during the wet season. In the longer term, global warming could lead to disappearance of many glaciers that feed many rivers in South Asia.<sup>17</sup>

Bangladesh, one of the largest deltas in the world, is regarded as one of the countries extremely exposed to climatic threats. Due to the impact of climate change, the land market will be adversely affected. The total land area of Bangladesh is 1, 47, 570 sq km. and consists of low, flat land of which about 31,000 sq km. (21%) is irrigated land. Agriculture is one of the main sensitive sectors to climate change, particularly changes in temperature, rainfall patterns and increased livelihoods of extreme events such as droughts and floods.

Climate change and desertification are independent phenomena, but in constant interaction. Climate gives the boundary conditions for the desertification to progress, and desertification changes the partitioning of energy and water fluxes that affect the atmospheric circulation. Both of them are influenced in their evolution by human action. The recurrent cycles of climate heating in history seem to have been altered in the last century, mainly by the consequences of human development. However, the synergy between climate change, i.e. global warming, and droughts could favor desertification.

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<sup>17</sup> Climate Change, Bangladesh Facing The Challenges, World Bank

This situation is reflected clearly in the northwestern and western parts of Bangladesh where there have been incidences of droughts in the last few decades and overexploitation of the aquifers and the apparition of soil salinity processes are common. The exhaustion or eutrophication of groundwater and the degradation of the ecosystems have also accompanied it. The fragile equilibrium that sustains the ecosystems of the dry lands is affected by these variations in climate. Moreover, the diversion of the Ganges at a crucial point at the upper riparian country has caused a depletion of soil water in the rhizosphere of the soil profile. This poses a dangerous threat to the survival of many species of flora and fauna common to these areas and contributes much to the richness of bio-diversity in the country.<sup>18</sup>

Many of the projected impacts of climate change will reinforce the baseline environmental, socio-economic and demographic stresses already faced by Bangladesh. Climate change is likely to result in increased flooding, both in terms of the extent and the frequency, associated with a sea level rise, greater monsoon precipitation and increased glacial melt, increased vulnerability to cyclones and storm surges ,increased moisture stress during dry periods leading to increased droughts, increased salinity intrusions and greater temperature extremes.<sup>19</sup> One of the major reasons for degrading topsoil in Bangladesh is the natural process besides human activities. Natural events such as cyclones and floods causes land loss and can also deteriorate functional capabilities of the soil. Soil degradation in the coastal area results from unplanned land use, as well as intrusion of saline water, multi layered, yet integrated approaches.<sup>20</sup>

In Bangladesh the overall impact of climate change on agriculture production will be negative, while inundation to a lesser degree will have a positive impact on production. With perennial floods bringing silt and nutrients, increasing the fertility of soils, prolonged floods have had a detrimental impact on crop yields. Another impact of climate change such as temperature extremes, droughts and salinity intrusion are also causing

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<sup>18</sup> Banglapedia

<sup>19</sup> Saleemul Huq and Jessica Ayers (2007-09), Climate Change Impacts and Responses in Bangladesh, Policy Department Economic and Scientific Policy, DG Internal Policies, European Parliament

<sup>20</sup> The New Nation, May 17,2009

declining crop yields in Bangladesh.<sup>17</sup> Temperature and rainfall changes have already affected crop production in many parts of Bangladesh and the area of arable land has decreased. The salinity intrusion experienced by the coastal area of Bangladesh is having serious implications for the quality of the soil in areas that were traditionally used for growing rice.

Bangladesh urgently needs support in developing climate-resilient agriculture if its people are to survive and prosper in the long run. Climate change is affecting the country from many directions. For instance, rising sea levels are causing some agricultural land in the coastal areas to become more saline, reducing both the quality and the quantity of the produce available. In southern districts where land is only centimeters higher than the brackish estuarine water, large swathes of agricultural land are becoming arid. Crop yields are shrinking as a result of increased salinity due to rising water levels in the Bay of Bengal. The impact of climate change on agriculture and land is undeniable and will most certainly worsen. In coastal areas, cocoa nut and betel nut trees do not yield half of what they did two decades ago, while banana groves are dying out in their hundreds. At the same time, vegetables sold in the urban markets of Dhaka, Khulna and Rajshahi are deemed tasteless and fetch low prices compared to produce from salt-free regions.<sup>21</sup>

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<sup>21</sup> IRIN, humanitarian news and analysis, a project of the UN Office for the Coordination of Humanitarian Affairs

### 3.3 Women Condition in Terms of Land Ownership

The rights of women to economic resources cannot be ignored. Women worldwide play a central role in ensuring family food security. They also produce goods and provide services to earn an income for the family, as both primary and secondary income earners. Yet, the majority of the world's women are resource poor. Hunger is chronic among women and children in many women-headed households, the reason being their lack of access and control over land in villages, common lands and forests.

It is critical for women, who live in rural areas and depend on agriculture and related activities for survival, to gain access to and control of land and to exercise rights on the village common lands, forests and pastures through individual/ group/collective holdings. When women's incomes rise, these incomes go directly to improving household consumption. Rural women's incomes in Bangladesh can only increase if they own land, individually or jointly, and have access to usufruct rights to common lands and forests. Women's lower status within households and in their communities is reinforced by their exclusion from independent ownership of land and resources. Sustainable development requires tapping the indigenous wisdom of people. Women, as primary users of fire wood and fodder, hold many of their communities' traditional knowledge systems on how to maintain the forest sources of these natural resources. Women, who are key users and conservers of the natural resource base, should be given collective rights to control and manage it sustainably. Women are also involved in initiatives to protect forests from destruction by commercial interests. Women should be supported as they work to "reverse the loss of environmental resources".

In many developing countries where land holdings are small and cannot sustain people, the poor depend critically on the larger surrounding natural resource base for household and livestock needs. This natural resource base comprises village commons and public lands, including reserve forests and revenue lands owned by governments. Limiting access to these lands limits people's livelihood options and can lead to hunger, malnutrition, poor health, and acute poverty. Policy and law needs to recognize the primacy of subsistence use and local markets, rather than co-modification for global markets. Local communities

should be encouraged to conserve and regenerate the resource base through active participation in decision-making and natural resource management.<sup>22</sup>

When it comes to ownership of land, women hardly have any rights. Although women are primarily responsible for food production, men remain in control of ownership. Women own land mostly in relation to men, as in, as their daughters or wives. Laws and social restrictions such as inheritance laws discriminate against women. While women can buy land, if their name is not on the deed, they are not its owners. According to the Land Reform Ordinance of 1984 and subsequent government regulations in 1986, if two acres of khas land is allotted to the homeless, one acre should be allotted to the husband and one acre to the wife. However, very few women actually have ownership of land. Most women are not even aware of their land-owning rights. They are sometimes intimidated by male family members and are often the victims of land-grabbing. Land that women do own is often sold off during their daughters' marriages to pay dowry, and divorced women lose their land rights with the divorce. Due to globalization and increase in the use of technology, women's role in agriculture has decreased. However, 78.3 percent of women are still employed in agriculture but their role is hardly recognized. Rural women suffer the most in terms of land ownership.<sup>23</sup>

## **Chapter 04**

### **4.1 Policy Option**

The existing land options of farmland for farmers have become a point of disputes, malpractices by the land administration creating landlessness and jobless farmers while giving way to increased small and marginal farmers. In order to maximize the utilization of land to the benefit of particularly small and marginal farmers, policies needs to dovetailed for achieving higher yield and stability of price and supply in product markets. The following policy options are recommended:

- i) *Land Reform Policy: Land Administration,*

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<sup>22</sup> Women's ownership of land, housing and productive resources as an indicator of poverty reduction in the Millennium Development Goals, Habitat International Coalition

<sup>23</sup> Star (weekend magazine), volume-7, issue-14, April 04, 2008

- ii) *Tenureship Reform Policy,*
- iii) *National Agricultural Policy on Land,*
- iv) *Agriculture Extension Policy Option and*
- v) *Agrarian Reform Policy,*

#### **4.1.1 Land Reform Policy:**

Debate over land reform has been going on for a long period in Bangladesh. One school argues that the total distributable land after reform will be too little to engage one household in subsistence agriculture. The absence of an up-to-date, systematic and universally accepted source of information on land resource availability and land rights is responsible for most of the problems associated with land as well as the inability to implement reform programs.

The key area to focus reform energy today is thus on the reform of land administration. There are five specific dividends expected from a reform programme on land administration:

- By streamlining and strengthening the information basis of land transactions, help to develop a dependable land market.
- Reduce corruption associated with the process of land acquisition
- Reduce public suffering which arise from the archaic and dysfunctional land administration process and make the land transfer process smooth and short
- Cut out much of the criminal and the civil cases in the courts, most of which originate in land disputes fostered by tampered or outdated land records
- Improve the efficiency of the reform programme in Khas land distribution, water rights, forest rights and land use policy
- Maintain Land Office database to keep track of ownership and history of all forms of lands, particularly khas lands.
- Identify the vested political, administrative and business interest for land grabbing of public khas land, water bodies and forest lands and take corrective measures

## **Land Administration Reform: Priority Areas**

One of the key insights gained over the last decade has been the understanding that the lack of an up-to date, systematic and unanimously accepted source of information on land resource accessibility and land rights lie at the root of much of the problems allied with land as well as with the inability to implement reform programmes. The key area to focus reform energy today is thus land administration. There are five specific dividends expected from a reform programme on land administration:

- By streamlining and strengthening the information basis of land transactions, help to develop a dependable land market
- Reduce corruption associated with the process of land acquisition
- Reduce public suffering which arise from the archaic and dysfunctional land administration process
- Cut out much of the criminal and civil cases in the courts most of which originate in land disputes fostered by tempered or outdated land records
- Improve the efficiency of reform programmes in khas land distribution, water rights, forest rights and land-use policy.

There are three components to the land administration processes which are relevant to a reform programme:

- The physical form of the ownership record
- The institutional and physical method of record keeping and
- The method of updating ownership information including updating the mouza maps and changes in the use of plot size

The key reform already under discussion is the proposed Certificate of Land Ownership (CLO) which should replace the existing form of owner-based land record.

While there have been some technical progress in this direction, the actual reform is yet to be undertaken. Initial ideas of creating a new record for all land-ownership by an individual, the so-called consolidation of holding approach, has now been found to be not



the best way forward. Instead, a plot based CLO with a boundary map of the plot and photograph of owners included is considered the best option. However, the real challenge lies in actual implementation of the programme and creating a system of immediate and continuous updating of the CLO with every change in ownership.

Provision of a legal cover for the CLO is the essential first step. The CLO, to succeed, must be provided with the force of legal finality as distinct from the current situation wherein there is no specific finality except in the uncertain and very lengthy process of court judgments.

Any success in the introduction of the CLO will simultaneously serve to cure a number of current maladies. It will modernize the physical records, confer finality on the document and ensure a smooth process of updating which considerably eases the transactions.

#### **4.1.2 Tenure Reform Policy:**

- **Legal Measures**

The 1984 Land Ordinance gives the rights of the sharecropper to come to a written contract for five years with the landlord for sharecropping. That also bears selling of land to other than the family member of the sharecroppers. However, the law remains on paper so far and has not been implemented yet. This law should come into force immediately.

- **Physical Measures**

These measures are summarized as below:

*A. Evicting Unauthorized Settlers:* This will lead to the release of more land for productive use while facilitating provision of more secured tenure land elsewhere. The limitations are: i) Disruption of communities already suffering from multiple deprivations, ii) Reduction of housing stocks, unless alternative shelter is provided, iii) Transformation of problems

elsewhere, iv) Social and political repercussion, v) Relocation sites are often far from places where people can access livelihoods and services.

This option is favored by some conservative officials. Certainly, some settlements will need to be moved if they are in environmentally vulnerable locations or on sites required for major public works. However, these are a small minority. Priority should therefore be given to developing alternative locations as close as possible to their existing settlements to which communities can be moved. Opposition can be minimized by providing modest compensation to cover relocation costs.

***B. Providing titles if beneficiaries have adequate income:*** It provides a high degree of security and grants poor households an asset they could otherwise not afford. It may increase access to formal credit if incomes are sufficient to service loans. It also encourages residents to invest their resources in home and neighborhood improvements. It may increase revenues from property taxes, where levied, often linked to servicing.

The limitations of this option are: i) It places a heavy burden on agencies preparing and allocating titles, which cannot be done at scale, ii) It distorts land and housing markets, unless granted on a large scale, iii) It may stimulate litigation over competing claims, iv) It is unlikely to increase access to formal credit through banks, v) It may actually encourage unauthorized development by groups hoping to obtain titles at a later date, vi) It may expose poor residents to unaffordable property taxes and service charges and viii) It may result in higher rents or the eviction of tenants.

Titles may be justified to residents who have a strong claim to the ownership of their land. Examples might include residents who have been residents for many generations and before land registration applied in their locality. Residents who were moved to their present locations due to previous government actions also have a strong claim to receive titles to their land – or another land parcel plus compensation if required to move again. Apart from these exceptions, granting individual land titles to residents of informal settlements presents two major practical problems: given limited capability of the land administration agencies, it will take many years to survey, register and allocate titles, during which time, transfers will render registries out of date. If allocated on a case by case

basis, it will result in a massive land market distortion. For these reasons, land titling is not an appropriate option in Bangladesh at present.

*C. Adherence of Intermediate Tenure Options:* Community land trust, community leases, private land leases and certificate of rights are a kind of intermediate tenure options which benefit in the following ways: It increases securities, encouraging residents to invest their resources in home and neighborhood improvements. It minimizes land and housing market distortions. Unauthorized settlers are discouraged, creating lesser administrative burdens. It helps to foster social cohesion and community solidarity and reduces the temptation for residents to obtain a windfall profit by selling their homes to higher income groups. It also facilitates access for future low-income groups.

This policy option is not widely accepted by financial institutions as collateral for loans. It takes years to introduce by reforming legal frameworks. It is also difficult to replicate if introduced outside the mainstream legal framework, while requiring large-scale capacity building among implementers.

These offer major advantages in that they can increase tenure security for all tenable settlements without over-stretching administrative resources or distorting urban land markets. They can also reinforce multi-sectoral community development programmes by encouraging residents to work together in improving their local environments and living conditions. They can also provide the crucial first step in an incremental process of land tenure regularization which might end up with individual rights at a later stage. For these reasons, community-based tenure options are strongly recommended for many types of informal settlements.

- **Increasing short term land occupancy rights**

This will increase de facto security while requiring an announcement which minimizes administrative burden. It also reduces the temptation for residents to obtain a windfall profit by selling their homes to higher income groups. It facilitates access for future low-income groups who are accorded breathing space to develop more formal tenure alternatives. However, it is not accepted by finance institutions as collateral for loans.

This could provide basic short-term tenure security for all informal settlements, thereby protecting residents from the threat of forced evictions. It has the additional advantage of maintaining government power to remove any settlements defined as ‘untenable’ as soon as alternative sites can be found for them. A further advantage is that no costs are involved.

- **Integrating Tenure Policy**

It may be implemented with multiple agricultural options. It creates diverse and dynamic agricultural projects in which the poor are at the centre of the action. It enables all stakeholders to contribute, while improving the level of security and quality of life for marginal farmers. It also minimizes the need for subsidies. It requires an administrative structure which is responsive to active participation by local groups. All tenure options need to be integrated with multi faceted agricultural projects for the provision of public services and community facilities. Tenure policy can provide the foundation for such social and economic development programmes.

#### **4.1.3 National Agriculture Policy on Land:**

The government has the primary responsibility of ensuring optimum use of land. Although land is a privately owned property in general, its use has to be compatible with the overall social goals and utility. Moreover, it is important to consider that the interests of small and marginal farmers and the sharecroppers are protected, as they constitute the majority of farmers. Following are the cardinal features for planned utilization of land for maximizing crop production, as summarized from the draft National Agriculture Policy:

- Land zoning programme will be taken up by the Soil Resource Development Institute (SRDI) on a priority basis. Integrated approach of SDRI will be further strengthened for this purpose.
- To ensure maximum utilization of land, bottom up planning through people’s participation and its implementation will be started from the mouza or village level.
- In most areas, the same land is suitable for more than one crop. Therefore, farmers will be encouraged to grow more profitable crops as an alternative to only rice-rice cropping patterns.

- Fertile agricultural land is going out of cultivation due to its use for non-agricultural purpose such as private construction, house building, brickfields, etc. Appropriate measures will be taken to stop this trend in the light of the Land Policy of the government.
- Maximum utilization of land will be ensured through promotion of inter-cropping with the main crops.
- Acquisition of land in excess of requirement for non-agricultural purpose will be discouraged.
- Programmes will be taken up to motivate the land owners not to keep their land unused without any acceptable reason.
- Appropriate measures will be taken in the light of the Land Policy so that the interest of small and marginal farmers and the sharecroppers are protected and that the agricultural land is not kept fallow for a long period.

#### **4.1.4 Agriculture Extension Policy:**

Providing legal and advisory services to the farmers is key to establishing backward and forward linkages of the inputs and outputs of production. The poor farmers are often victims of the rural power structure. The vested interest group with the help of the state apparatus submits false cases. These cases continue for a long time. The farmers have to bear substantial costs for running the cases. Sometimes they have to sell property to meet the expense of those cases. So they should be protected and given legal advice. At present some NGOs like Nijera Kori, Samata are providing legal services to the farmers. These types of service should be increased in collaboration with GO-NGO network.

#### **4.1.5 Agrarian Reform Policy:**

Agrarian reform and rural development are the inseparable components that promote the economic and social conditions of the rural population of a country. Agrarian reform is an extensive change, primarily necessary to improve the agrarian performance of land. Agrarian reform is generally initiated by the government through the process of redistribution of agricultural land. The other major activities of agrarian reform include

training, credit measures and land consolidation. It can be specified as the total redirection of the agricultural system of a country. Agrarian reform stresses not only on the improvement of land performance but is also concerned with the distribution of inputs and marketing of the agricultural produce. Agrarian reform also establishes a relationship between the economic and social structures of a nation. The concept of agrarian reform also entails changes to the existing agricultural policies. There is a direct link between adoption of agrarian reform policies and rural development. In line with the declaration of the conference<sup>24</sup> and deliberations, the following policy options should be a way forward for Bangladesh in addressing a robust growth in the agriculture sector by empowering marginal farmers and eradicating their poverty. These are:

- Empowering the rural poor through access to land and other productive resources.
- Indigenous Peoples and their right to land, territories and resources
- Creating synergic relations with respect to land, poverty, social justice and development
- Securing rights of farmers to natural resources
- Administering land rights effectively and transparently which may serve as a conduit for individual property ownership
- Enhancing women's leadership and transforming organizations for sustainable rural development
- Empowering rights for young people in the agrarian reform
- Building a cooperation network through the LEADER approach between farmers
- Emphasizing contribution of organic agriculture to rural development
- Mechanisms for follow-up and indicators on agricultural development
- Empowerment of farmers through scientific literacy leading to poverty reduction strategies using participatory groundwater management
- Securing forest tenure for sustainable forest management and poverty alleviation in South Asia
- Accelerating land reform with measured land redistribution
- Optimization of agricultural production while protecting natural ecosystems

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<sup>24</sup> International Conference on Agrarian Reform and Rural Development organized by Brazil and FAO, Brazil, 7-10 March, 2006

Policy options for agricultural reforms are important to adopt simultaneously for addressing the depleting trends of agricultural growth in a predominantly agro-based economy of Bangladesh. It has been found that small and marginal farmers have become gradually landless and big agricultural households have turned into small ones. In that sense, in order to strengthen agricultural growth and competitiveness, it is important for policy measures both legal and physical encompassing reforms in wide areas as illustrated in the preceding chapter. It is important to understand where an integration of policies and reforms might be useful for the farmers and agricultural growth as a whole and where not. Further insight and analysis of agricultural evolution in the developing countries have revealed a complex picture of agro reforms and associated legal and physical measures by the government accompanied by government intervention and subsidies.

This paper has therefore presented a unique choice for Bangladesh agricultural liberalization and maximization of its produce by giving an analytical understanding of the alternatives that exist at the policy levels. It has also placed the significance of environmental degradation and climate change to be adhered into the policy options while making a synergic and acclimated choice as the environment and climatic conditions directly determines the level of production.

**Table 07: Policy Matrix**

Issues on Agriculture Extension	Policy Measures	Comment
Lack of systematic land records	<ul style="list-style-type: none"> <li>▪ Develop a dependable land market by streamlining and strengthening the Information basis of land transactions which would help to reduce corruption associated with the process of land acquisition</li> <li>▪ Reduce public suffering which arises from the archaic and dysfunctional land administration process</li> <li>▪ Cut out much of the criminal and civil cases in the courts, most of which originate in land disputes fostered by tampered or outdated land records</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Ministry of Land has already started a pilot project to keep digital records of the land in the upazilas of Narshingdy district</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Improve the efficiency of the reform programme in Khas land distribution, water rights, forest rights and land use policy</li> </ul>	
Tenure Reform	<ul style="list-style-type: none"> <li>▪ As sharecropping has been transferred to fixed contracts, the government can fix the rent of the landlords in order to protect the farmers from exploitation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In the state of India, land rent is regularly monitored by the local government.</li> </ul>
False Land Related Cases	<ul style="list-style-type: none"> <li>▪ A dedicated state agency with the help of experienced NGOs should provide support to the farmers</li> </ul>	<ul style="list-style-type: none"> <li>• Nijera Kori and Samata, national NGOs, in Bangladesh are providing legal support to the farmers.</li> </ul>

## 4.2 Conclusion

Land is one of the most critical assets for people to overcome poverty. Land is the key asset determining access to agricultural livelihood opportunities. Our discussion above shows that the agricultural land market is highly imbalanced. In Bangladesh, the majority of the households hold no agricultural land beyond their immediate homesteads and a large segment of households do not even own this homestead land. Ownership of land is concentrated amongst the richest. However the structure of the ownership of agriculture land is changing over time. The affluent households are diversifying into other activities by selling their lands, while the poorest households sell their piece of land with a view to meet the income and expenditure divide in times of emergency. However, a number of constraints make the potential for land reform less than likely. There is debate on whether land reform is necessary for increasing productivity. In a Bangladeshi context, the argument certainly goes to land reform. Even if productivity does not increase, there are still strong reasons for land reform. With a large rural population, a high degree of landlessness and a very large labour force, land provides employment and social security. It provides a basic income with some limited surplus for poor families. The ongoing significance of land for the poor in improving food security, incomes and livelihood opportunities has led to a broader emphasis on ways of improving land access and securing land rights, in order to get better social insertion and protection of vulnerable groups. We are now at a point where a revolutionary change in land ownership, administration and land use should be brought about. Land must be managed in a way which the welfare of majority of population can be ensured in an ecologically sustainable way. The present



unfair, exploitative and inequitable system of land ownership must be replaced with evenhanded ownership, as well as equitable distribution of agricultural products. For more efficient utilization of arable land, agricultural infrastructure, including mechanization, irrigation, pest control and natural disaster mitigation schemes need to be improved on an urgent basis. Local communities, organized in a transparent, democratic manner, must have control over agricultural investment for maximum efficiency.

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## **Annex- I**

### **Methodology**

The study has been performed in three areas which are predominantly represented by small and marginal farmers of the country. The areas are Kopakhi in Delduar upazila under the districts of Tangail and Srimantopur in Chandina upazila under the district of Comilla. It has been observed in the Delduar upazila in Tangail, about 81 percent of farm households consist of marginal and small farm households where there is 10.13 percent landless farmers. The major crops in the area are the different varieties of rice including Irri, Boro and Aman. In the area of Chandina upazila in Comilla, there are 52.61 percent of small and marginal farmers and it consists of 23 percent landless farmers. This area is also predominantly agricultural.

The study is explanatory in nature. It uses both qualitative and quantitative data. In order to achieve the objectives of the study, data has been collected from both primary and secondary sources. Primary data has been collected through field trips. These mostly provide qualitative primary data. The secondary data is obtained from reports, journals, research papers, newspapers and books. Information on relevant issues are collected from websites.

With a view to get relevant information on the concerned issues, various programs like interviews and FGDs (Focused Group Discussion) were undertaken. In the field, farmers have been interviewed and one focus group discussion in each village had been held. The participants of the groups have been chosen by informal discussion with the local people. The participants covered a wide variety of farmers and villagers including share-croppers, small farmers, tenant farmers, middle and larger farmers, traders of fertilizers and pesticides. Interviews with the officials of NGOs and government offices have also been carried out for the relevant information.

Qualitative data collected through FGDs have been analyzed to identify the important aspects of the land market in Bangladesh. Information collected through interviews and FGDs of individual small farmers have been incorporated in the paper as case studies. The

case studies used in the paper reveal the problems and views of poor and marginal farmers in the rural areas of Bangladesh, related to land. There are some special cases and some cases that reveal the problems prevailing generally in the rural areas.

## Annex - II

**Distribution of Farm Holdings according to Size, 1983/84-2005 (as percentage)**

Size classification holdings	1983-84	1996	2005
Marginal (owning between 0.05 to 0.49 areas)	24.06	28.45	38.63
Small (owning between 0.50 to 2.49 areas)	46.28	51.42	49.86
Medium (owning between 2.50 to 7.49 areas)	24.72	17.61	10.34
Large (owning 7.50+ areas)	4.94	2.52	1.17
Landless	8.67	10.18	14.03

Source: Agriculture sample of Bangladesh – 2005 (BBS June, 2006)

## Annex-III

**Distribution of Farm Land according to the Sizes of Holdings, 1960-1996**

Size of holding	1960			1983-84			1996		
	Number of holdings (000)	Operated area (000 acres)	Average Size (acres)	Number of holdings (000)	Operated area (000 acres)	Average Size (acres)	Number of holdings (000)	Operated area (000 acres)	Average Size (acres)
Marginal holdings (0.05 to 0.99 acres)	1493	704	0.47	4061	1774	0.44	5704	2545	0.45

% changes				172	151.99	-6.38	40.46	43.46	2.27
Small holdings (0.50 to 2.49 acres)	1677	2826	1.69	3005	4799	1.60	3629	5604	1.54
% changes				79.19	69.82	-5.33	20.77	16.77	-3.75
Medium holdings (2.50 to 7.49 acres)	2314	9928	4.29	2483	10226	4.12	2078	8370	3.98
% changes				7.30	3.00	-3.96	-16.31	-18.15	-3.40
Large holdings (7.50 acres+)	656	8269	12.61	496	5879	11.85	298	3455	11.59
% changes				-24.39	-28.90	-6.02	-39.91	-41.23	-2.19
Total	6140	21727	3.53	10045	22678	2.25	11709	19974	1.70

Source: Agricultural Census Reports, 1960, 1983-84, 1996, B