



Fortnightly column
Village Dynamics Insights

Reverse tenancy: A re-emerging trend in dryland agricultural areas of southern India

Reverse tenancy – where poorer household land owners rent out land to richer tenants – is re-emerging as an economic phenomenon in the dryland agricultural areas of southern India, according to a study based on VDSA data. This is the opposite of the usual practice where larger landholders rent out part of their land to those who have little or no land themselves.

The short term benefit in this arrangement to small landowners (owning land up to 1.0 ha) or functionally landless households (ie, those households with less than 0.5 ha of land) is usually an exchange of cash or a share of the production of the crop by the tenants. However in the longer term this trend has been shown to exacerbate the income-generating potential of many of the smaller landholders. Thus the poorer sections of these rural communities are unable to increase their household incomes and move out of the poverty trap.

“We cannot say this is a socially desirable condition – because very often these smaller landholders do not have bargaining power and therefore can’t benefit from the increased income resulting from this arrangement,” says Dr Uttam Deb, Principal Scientist, Economics, RP-Markets, Institutions and Policies, ICRISAT.

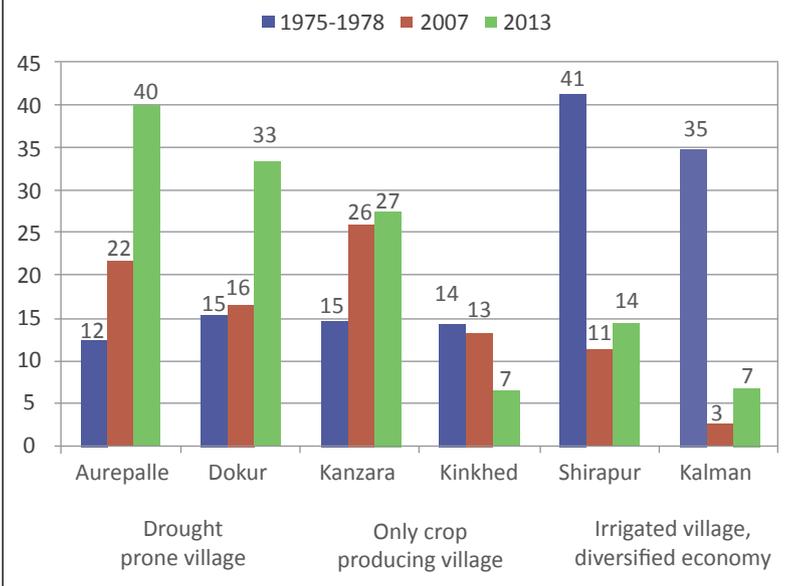
VDSA research

The findings on reverse tenancy were revealed in a study based on household level data collected in six villages participating in the Village Dynamic Studies program in Telangana and Maharashtra between 2007 and 2013. The six villages comprise Aurepalle and Dokur villages in Mahbubnagar district of Telangana; Shirapur and Kalman villages in Solapur district, Kanzara and Kinkhed villages in Akola district in Maharashtra. An earlier study along the same lines was also done in these villages between 1975 to 1978.

Dr Deb is lead author of a report utilizing this VDSA data entitled Revisiting Tenancy and Agricultural Productivity in Southern India. “What we have seen in this study is that compared to the mid-70s reverse tenancy has increased in three of the villages – Aurepalle, Dokur and Kanzara – and these villages are more prone to production risks as they are more susceptible to the effects of drought. There is also a lack of income diversity opportunities in these areas,” he said.

In the other three villages – Kinkhed, Shirapur and Kalman – reverse tenancy has reduced over the same period. Researchers found that this was due to the introduction of

Reverse tenancy in dryland agriculture in Telangana and Maharashtra: 1975-1978, 2007 and 2013



irrigation through canals and drip and sprinkler irrigation. Shirapur and Kalman villagers also benefited through diversified economic growth which helped increase household income during the study period.

Reverse tenancy is linked with lack of access to critical production inputs (such as bullocks/tractors), production risk, lack of viable employment and income opportunity for smallholder farmers and functionally landless households.

Solutions to the problem of reverse tenancy

ICRISAT can play a role in reducing reverse tenancy in dryland agriculture areas by assisting in reducing production risk either through the development and introduction of drought-resistant crop varieties or through fostering the availability of supplementary irrigation. Custom hiring services for some critical inputs such as bullocks for land levelling or tractors for tillage, along with access to credit facilities and more diversified employment opportunities are also required.

Reference: ‘Revisiting Tenancy and Agricultural Productivity in Southern India: Insights from Longitudinal Household Surveys’ by Uttam Deb, Soumitra Pramanik, Patan Elias Khan and Cynthia Bantilan; Research Program on Markets, Institutions and Policies, International Crops Research Institute for the Semi-Arid Tropics (ICRISAT).

<http://oar.icrisat.org/9009/> ■