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## **An Approach to Study of Land Lease market in Agriculture of Barak Valley in the State of Assam**

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### **Abstract**

*Land is a basic factor of production in agriculture. Being inelastic in supply and immobile in nature, it assumes greater importance among the farming community with an increasing demand for it. Inflect the pattern of ownership of agrarian land and other institutional features are rooted in the historical evolution of the farm economy of the state more specifically, the evolution of the intuition of tenancy can be traced back to the land revenue systems of Assam. Land revenue systems provide the formal framework for agrarian relations and the historical records reveal how the institution of tenancy more particularly the Share Tenancy emerged along different paths within the framework.*

*Since the economy of Barak Valley in state of Assam is agriculture depended, building a strong agricultural based is of utmost importance. Relative geographical isolation, weak industrial base vis-à-vis low agricultural productivity necessitates undertaking studies relating to the formation of strong agricultural sector. Despite the provision of different tenancy reforms in the state leasing in land under share cropping is practiced largely informally. As tenancy dominated land ownership pattern in the state, it is necessary to analyses the extent, form, nature and pattern of tenancy vis-à-vis land market structure for formulation of a proper policy on land tenancy contract. Proper identification of all these factors goes a long way in sustaining agricultural development in the region.*

***Keywords; Institution of tenancy, share cropping, Tenancy reforms, land market, land tenancy contract***

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### **1. Introduction:**

In India at the time of independence the agrarian scene was characterized by extreme concentration of land ownership and exploitative production relation which were inimical to agricultural growth (Joshi, 1974; Appu, 1996). Considering social justice and increased productivity, the government sought intervention among other in the land leased market, setting aside the operation. The intervention, to be specific, was necessitated by the presence of rack rented tenants, who could be evicted at the whim of landlord and faced much difficulty in leasing operation. Based on guidelines, provided by the centre, the Government of Assam passed laws imposing ceiling on rent and incorporated security on

land use right in the statutes. However, only on one rare occasion the tenants were conferred a 'bundle of rights', including the ownership rights by the law (Herring, 1983).

## **2. Necessity of the Study:**

Land reforms have been on the agenda for reconstruction since Independence. The primary objectives of the programme have been to break the old feudal socio-economic structure of land ownership, eliminate exploitation by providing security of tenure and regulation of rents for tenants and share croppers, bring direct contact between tiller and state, and give social and economic status to the landless by redistributive measures. It was the intention of the government to provide permanent asset base through redistributive land reform measures for a large number of rural landless poor enabling them to take up land base and other supplementary income generating activities and thus, in turn improve the agricultural production and farm productivity. Considerable work has been done in the past in this direction, but a lot remains to be done.

The noted economic historian as well as specialist on agrarian studies in India Daniel Thorner (1956) brought attention back to a stark reality in the fifties, namely "the survival, despite land reforms and abolition of intermediaries of a class of non-cultivating. Proprietary land holders who continue to take substantial rents from the working peasantry-tenants, tenants at will, or crop shares ..." He further observed that the actual cultivation of land by tillers who were chronically and seriously short of physical capital and financial resources resulted in limited use of improved implements and concomitant low yields. The situation perhaps did not improve even during the eighties and that might have prompted the Ministry of Home Affairs, Government of India to analyze the salient facts relating to "the scale and pattern of Indian agriculture and the quantities involved". P.C Joshi (1976) while emphasizing on less explored research areas on agrarian issue by the students of the social sciences, had brought out a detailed checklist where serious problem was still necessary. He specially mentioned on the importance of studying the 'changing structure of tenancy in each region'.

## **3. Changing Structure of Tenancy in Assam:**

Share cropping in India is 'as old as the country itself' (Cooper 1983). Prior to independence, the system of tenancy cultivation was an integral part of the feudal agrarian structure (Thorner, 1956). The land rights were concentrated in the hands of a small group of large landowners and a vast majority of the actual cultivators did have no rights or had only a limited rights as tenants. It was mainly the poor and the needy who leased in land from the big landowners for earning their means livelihood. In recent years, there is no one way traffic, small farmers lease in land from both large and small farmers and similar is the case with large farmer-cum-tenants and the entire question of landlord tenant relationship appears to be one of complex nature (Ray, 1978' Rao, 1974). Both small and large farmers prefer to lease out land to large farmers because there is relatively less risk of default payment of rent. Besides, small farmers lease out land to large farmers because of the non-viability of small and marginal holdings; and often their lack of access to the institutional

credit induce them not to undertake personal cultivation of land and a search for alternative sources of wage income either in the farm sector or in outside agriculture sector. The practice of leasing in land from small and marginal cultivators by big farmers is known as 'reverses tenancy' prevailing in different parts of India during the recent decades (Chattopadhyaya and Negoi; 2006 ).

The existence of tenancy is widespread in India. In fact, the institution of tenancy exists invariably in all parts of the state in one form or the other.

There is also changing types of tenancy over the regions. This mainly due to the difference in the historical tradition, cropping pattern and the level and nature of agriculture production technology.

A very high percentage of cultivated land in Assam is under tenancy. According to 1961 census, 15.39 percent of the cultivating households cultivated only leased land held from private persons or institutions against payment in money, kind or share; and 21.70 percent cultivating household cultivated land partly held from government and partly from private persons against payment in money, kind share , (census, 1961). As per 26<sup>th</sup> round of National Sample Survey. 19.62 percent of operated area was under leased during 1971-72. This figure drastically declined to 6.35 percent by 1981-82 as revealed in the data of 27<sup>th</sup> Round of National Sample Survey and rose to 8.87 percent in 1990-91 (48<sup>th</sup> Round of NSS). In the presence of concealed tenancy in the state, admittedly, this figures does not show actual extent of tenancy. An empirical study (1987-91) of land reform in Assam sponsored by Ministry of Rural Development, Government of India, the data for the study collected by the IAS probationers of 1987, 1988 and 1989 batches indicate that of the total 218 tenants interviewed , 58.7 percent were unrecorded and 41.3 percent were recorded and that the unrecorded tenants operated 73.3 percent of the total operated area. This figure confirms the prevalence of concealed tenancy in the state (Chakravarty, 1995).

As regards the forms of tenancy, there exists five different types of tenancy contract-fixed money, fixed produce, share produce, usufructuary mortgage and others. Among various forms of tenancy in cash rent is found to be dominant mode of the tenancy in Assam (Agriculture Census, 1976-77, 1985-85 and 1990-91). The NSS data (26<sup>th</sup> round and 48<sup>th</sup> round) shows that inspite of its continuously declining trends over the period of 41.83 percent in 1971-72 to 27.80 percent in 1990-91, the share tenancy is still the pre-dominant mode of tenancy in Assam.

#### **4. The Evolution of Land Tenancy Contract in Assam:-**

The historical pervasiveness and the persistence of tenancy have widely been noticed in the state of Assam. In fact, the pattern of ownership of agrarian land and other institutional features are rooted in the historical evolution of the farm economy of the state. More specifically, the evolution of the institutional of tenancy can be traced back to the land revenue system in Assam. Land Revenue systems provide the formal framework for agrarian relations and the historical records reveal how the institution of tenancy more

particularly the share tenancy emerged along different paths within the framework (Kuri, 2004).

Before the annexation of Assam by the British in 1826, Goalpara and Cachar (permanent settle districts) were under Mughal rule where *Zamindari* system was prevalent, and the greater part of the Brahmaputra Valley (temporarily settled districts) was under Ahom rule where *raiayatwari* system was prevalent. Under *zamindari* settlement land was held permanently by the *zamindars* who were basically the intermediaries between the state and actual cultivators engaged in the collection of land revenue. But under *raiayatwari* system, the landlords were directly responsible to the state for payment of revenue. The *raiayatwari* system of lands tenure, in fact, gave rise to the institution of tenancy in the state of Assam. Under this system, the landholders were at liberty to sublet their land under their terms and conditions and enjoyed the permanent rights of occupancy so long as they paid the land revenue (Guha, 1991).

The system of cash revenue was not in practice during the Ahom rule. In fact, the land revenue system in true sense of the term did not exist. Land under Ahom rule was the absolute property of the sovereign and the cultivators usually known as *paik*. It was obligatory for every able-bodied person to render service to the state against the reward of some cultivable land in kind<sup>1</sup>. These persons were called *paiken*. *Paiken* lands which were cultivated were *paiks* in lieu of services rendered to a *Satra* or temples. These rent-free estates were later to be known as *Lakhiraj* estates where cultivation was done by slaves or servants or *paiks* attached to the estate (Goswami, 1994). In course of time such *paik* system was abolished and land revenue systems of Assam had undergone many changes and several classifications were made in order to facilitate the revenue collection.

The land tenure system was changed significantly after the annexure of Assam by the British. In fact, the theory of state ownership of land was the rule during the British period in Assam. Under the state ownership there were three distinct tenure classes, viz. (a) *Lakhiraj grantees*, i.e. holders of revenue-free lands, (b) *Nisf-Kirajdars* i.e. holders of half-revenue paying lands and (c) *Settlement holders of land on annual lease*. The *Lakhirajdars* got higher status from the British than the other two classes and were called 'proprietors'. They had permanent heritable and transferable rights in their land as well as over mines, minerals, forests and fisheries included within their grants (Das, 1986). Within this category of proprietor were the *zamindars* of Goalpara district and Sylhet district<sup>2</sup> as well as the tea estate owner. *Nisf-Kirajdar* were the landholder with periodic lease of revenue-paying tenures. Except 'devottor' (grants to temples and deities) lands, all other lands which

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<sup>1</sup> The *paiks* were also given homestead land, but they had to pay a house tax. A *paik* could also hold his service to the state, if he paid to the state Rs 2/- per annum (Goswami 1994)

<sup>2</sup> Sylhet was a district of Assam until the partition of 1947 when Karimganj, a Sub-Division of Sylhet came to India while the rest of the district went to East Pakistan. This is the zamindari system in Assam during the British rule was confined to only Goalpara and Karimganj district.

enjoyed revenue fee status during Ahom rule came under this category. The third category was the settlement holders with annual lease of land.

Under the land policy adopted by the British rulers, the institution of tenancy persisted on a wide scale in Assam. But the vast majority of the tenants under British rule enjoyed practically no security of tenure. They were subjected to various forms of oppression and exploitation at the hand of landowners. To make matters worse, there was hardly any affective initiative on the part of the British rulers to safeguard their interests. Barpujari (1963) rightly observed; “when the riots found their recourses drained away in by repeated extraction, they had no other alternative but to flee away in hundreds or to mortgage themselves as slaves and bondsman... to make matters worse those who remained in the district had also to pay for those who ran away”.

### **5. Nature and Effective of Tenancy Reforms in Assam:-**

Assam is one of the first emerging states of India to take bold legislative reform measures (Choydhury, 1986). In Assam tenancy reforms legislation's envisaged providing fixity of tenure, curbing the freedom of landowners to eject tenants and fixing the maximum rate of rent. The first halting step towards tenancy reforms in Assam can be traced back to 1929 during the colonial rule. This was the Goalpara Tenancy Act, 1929 an act extended to the Goalpara district alone but which marked an important milestone in the history of land reforms in Assam.

Later on, the Assam Temporarily Settled District Tenancy Act, 1935 to protect the tenants under the land holders of the Brahmaputra Valley and Cachar and the Sylhet Tenancy Act, in 1936, to protect those in the permanently settled areas of sylhet including Karimganj. These act aimed to improve the conditions of the tenant class by conferring upon the occupancy *raiya*s permanent, heritable and transferable rights. Further, it conferred the rights of use and occupancy on the sub-tenants and under-tenants. Under this act protection was accorded to the tenants against illegal eject and enhancement of the land rent. This act was in force even after the abolition of *zamindari* system in 1956-57 and was amended in 1970 to include provisions *Adhikar* Tenant Protection act 1948, to regulate the share of crop rent payable by a cultivator to the landlord and to give him protection against indiscriminate eviction. Under this act the cultivator was entitled to get three fourth ( $\frac{3}{4}$ ) of the crop of the land lord supplied plough cattle or else four-fifths. As a matter of fact the Act 1948 failed to provide securities to the share croppers. The new Tenancy law, The Assam (Temporarily settled Areas ) Tenancy Act, 1971 came into force with effect from 10<sup>th</sup> December, 1971 initially in all the Temporary Settled areas of the plains districts by repealing the Tenancy Act of 1935 and the Adhair Protection Act of 1948. Latter the Land Holding Act of 1974 repealed the Goalpara Tenancy Act, 1929 and Sylhet Tenancy Act, 1936 and enforced the Tenancy Act of 1971 in former permanently settled areas of Goalpara and Karimganj districts. Now Tenancy Act, of 1971 is applicable in the in the entire Assam except two hill districts, North Cachar and Karbi Anglong.

Despite the provision of different tenancy reforms in the state share cropping is practiced largely informally in whole parts of Assam. On the other hand tenancy has been fairly extensive in the region, nearly a half of sample farmers had leased in land as part of their operational holdings (Roy and Bezbaruah, 2003).

Since the economy of Barak Valley in the state Assam is agriculture dependent, building a strong agricultural base is of utmost importance for the region. Relative geographical isolation, weak industrial base vis-à-vis low agricultural productivity necessities undertaking studies relating to the formation of a strong agricultural sector. As tenancy dominated land ownership pattern in the region, it is necessary to analyse the extent, form, nature and pattern of tenancy vis-à-vis land market structure for formulation of all these factors goes a long way in sustaining agricultural development in the region.

## **6. The Empirical Study on Land Leasing In Agriculture of Assam:**

While analyzing the agrarian reforms in the state many studies though not based on pure economic analysis have been conducted to highlight the tenancy situation and the problem associated with it. In this respect the studies by Goswami (1962), Guha (1991), Chakravarty (1995) and Gautam (1995) have found to be outstanding. These studies explore the nature and pattern of tenancy in the state of Assam. Until the ends of nineteenth century, the *adhi* system (share cropping) was of marginal importance in Assam (Guha 1991). *Adhi* assumes various forms, but in practice, the rent burden under different forms of *adhi* tend to be the same as under fixed rent system through adjustment like landlords contributions towards seeds or transplantation costs or both. The study also touches upon the issue of economic conditions of the tenants.

Goswami (1962) analyses the terms and conditions of tenancy contracts in Assam and has observed that there exists direct association between the pattern of crop and cost sharing by the landlord.

Gautam (1995) in his well-researched study covering eleven villages of two districts of Central Assam, Kamrup and Darrang, has examined the agrarian relations between the tenant and the absentee landlord in respect of the duration of tenancy, sharing of crops, costs of cultivation and debtor-creditor relationship between the two. He has observed that in Assam the landlord-tenant relation depends on local customs, traditions, types of crops grown, economic status of the parties and compulsion under distress. The study also highlights that in the presence of tenancy system, agricultural development in the state depends on cooperation and cordial relations between the contracting partners, the degree of dependency of landowner on agriculture, the cost sharing provisions and the economic condition of the landlord as well as the tenant.

Chakravarty (1995) on behalf of the land reforms unit, Lal Bahadur Shastri National Academy, has prepared a report on the tenancy situation of Assam. The data for the study have been collected by the IAS probationers of 1987, 1988 and 1989 batches between September 1988 to May 1991 covering seven districts of the State to explore the incidence of recorded and unrecorded tenancy. The study highlights the prevalence of concealed

tenancy in the state. This study is an important account of the terms and conditions of tenancy that are persisting in different parts of the state.

Nag (1991) has made an appraisal of the tenancy situation in Assam and tried to find out the reasons why land reforms Acts designed to improve the lot of the tenant farmers have not been implemented in Assam. In a similar study, Phukan (1991) has also reached the conclusion that tenancy reforms in Assam have not had a favourable impact upon the tenant farmers. Sengupta (1991) in his study of impact of land reform in the Karimganj District has shown that as a result of land reforms, the tenants and ryots of the district who have been freed from exploitation by the zamindars are being exploited by the State Government. Agnihotri (1984) in his study on land reform legislation in Assam as a means of rural development has traced the origin and development of tenancies in historical perspective and also provided a critique of the land reform measures that were undertaken in the State with a view to protecting the interest of the tenants including sharecroppers. Das (1980,1984) provides a critic of land reform policy in Assam.

Khatun (1984) has made an extensive study on the extent of tenancy in Assam by analyzing NSS and Census data, argued that tenancy arrangements in Assam whose terms and conditions are mostly verbal – are often misused by the landlords, and the tenants, who are the actual tiller of land, are the sufferers. The size-class analysis of tenurial households has provided a better picture of the economic status of the tenurial class. Kuri (2004) made an attempt to cover the important features of tenancy in the state of Assam tracing back to its history of evolution in pre-British period

## **7. Conclusion:**

The several studies highlight the problem of land reform in Assam and tenancy institution in particular, suffer from methodological shortcomings. The main limitations, of many of the study reviewed are: casual empiricism, tautological explanation and unwarranted suggestions. Though its limitations, but tenancy is a theoretically rich institution with its multivariate dimensions, but no effort has yet been made in Barak Valley of Assam correlate empirical observation with the existing theoretical propositions. In spite of its existence over centuries, the typical terms and conditions of tenancy, its resource adjustment ability, productive efficiency and informal credit linkage including usufructury mortgage of land are still remain either unstudied understudies. Further, no theoretical framework has yet been found to explain the extent of tenancy by identifying the relevant factors responsible for the incidence of tenancy in the state of Assam.

In this disquieting backdrop, there is need of study and attempt to be made to explore the nature and impact of tenancy contracts in the backward agriculture of Assam and to provide the empirical analysis to a number of theoretically established proportion relating to the agrarian institution of tenancy. An attempt to be made capture the tenancy mechanisms within a theoretical framework in order to provide an explanation of tenancy for the state of Assam as whole and Barak Valley in particular.

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