

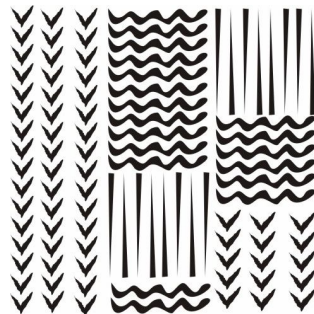
DRAFT PAPER

UTILISATION OF LAND HOLDING SURVEY FOR
AN ANALYSIS ON OWNERSHIP OF LAND BY
URBAN HOUSEHOLDS

Daizo Sugimoto *Meijo Universtiy*

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Daizo Sugimoto
Faculty of Economics, Meijo University

1. Introduction

The purpose of this study is to consider land holding surveys conducted by National Sample Survey Organisation (NSSO) to examine ownership of land by urban households.

Analysis on ownership of land constitutes an essential part of agrarian studies. When ownership of land is dealt with, there seems to be two kinds of crucially important information. One is information as to where a piece of land is located, and the other is that as to by whom the land is owned. It seems to be a matter of course that researcher pay due attention to this kind of basic information, but it is not the case.

For example, according to the National Sample Survey (NSS) report on the 59th survey conducted in 2003 the estimated area owned by rural household is 107.23 million hectares while the area of land located in rural area is not shown in the report (NSSO, 2006). This may be because it is taken for granted that most of the area located in rural area is owned by rural households and that the rural area can be approximated by area owned by rural households.

Of course this type of inference is not totally wrong considering that self cultivating peasants have had a majority in India at least since 1960s and the share of self cultivating peasants has risen continuously according to the results of NSSO's consecutive land holding surveys. The percentage of tenant holdings declined from 23.5% in 1960/61 to 9.9% in 2002/03. The percentage of area leased-in also dropped from 10.7% to 6.5% during the same period. A self cultivating peasant usually has land in his or her own villages. Therefore location of land usually coincides with residence of the owner.

But this coincidence does not always happen. One can easily show various combinations of

location of land and residence of an owner of the land. The piece of land in a village owned by an urban household is often found to be rented-out to a farmer in the village.

Ladejinsky(1969) also relates to this point. He found in the late 1960s that quite a few urban people was purchasing farm lands in Punjab as farming was getting more and more profitable thanks to the advent of the green revolution. Urban capitalists and urban middle class people who bought agricultural land were called gentleman farmers¹.

Sheila Bhalla(1983) also presented an interesting case. She described contemporary image of landlord vividly based on a field research carried out in Haryana in 1960s and 1970s. Her study suggests that considerable number of rural households were migrating to urban area seeking job opportunities and that they tend to rent out the land left in their home village.

Both of the studies by Ladejinsky and by Sheila Bhalla suggest that land ownership by urban household have something to do with structural changes in rural society. Purchase of land by urban household which was pointed out by Ladejinsky relates to the rise in profit of farming induced by the technological progress. Renting out of land by urban households found by Sheila Bhalla was in close connection with expansion of urban area, increased non agricultural job opportunities available there, people's momentum for migration and improved education standards in rural area.

Instances submitted by the scholars confirm that the investigation on ownership of land by urban household is important and that it will help shed light on various aspects of changing agrarian structure in India. It is not, however, impossible to arrive at a quantitative estimation on land ownership by urban people based on the case studies mentioned here. It is obviously important to see how much of land located in rural area is owned by urban household and how much of land out of which is leased out or managed by land owners to examine the agrarian structure.

In the rest of the paper, utilisation of unit level data of land holding surveys to make quantitative estimation of land ownership by urban households. In the section 2, the

¹ A Japanese scholar, Koga also pointed out the same incidence based on a field survey conducted in Punjab (Koga, 1970).

features found in the land holding surveys will be examined. In the section 3, the results of tabulation will be presented and analysed briefly. State level data is also presented in the same section to reveal interstate variation in land ownership. Conclusion and some comments on improvement of the land holding survey will be put in the section 4.

2. Outline of Land Holding Survey Conducted by NSSO

2-1 Features of Land Holding Survey

The first survey on land holding is carried out in 1954 as the 8th round of National Sample Survey (NSS) with the purpose of collecting information required to formulate the land reform policy. Six surveys, for which more or less common definition of concepts were adopted, were conducted in the 16th (July 1960 to August 1961), 17th (September 1961 – July 1962), 26th (July 1971 – June 1972), 37th (January – December 1982), 48th round (January – December 1992), and 59th rounds (January – December 2003) of NSS. Unit level data have been available for the 48th and 59th rounds since 1990s.

The survey has two plausible features for the purpose of considering land ownership by urban households. First of all, as in other National Sample Surveys, information is collected from rural and urban area separately in land holding surveys. It is matter of course in India, but this type of distinction is difficult to find in statistics made by Japanese government. National Sample Surveys make use of the classification of urban and rural area defined in the latest population census available at the time of research. In a population census, rural area corresponds to the area of villages except the villages designated as census town which meet some conditions and treated as urban area in a population census on the one hand, and urban area corresponds to the area of towns and census towns on the other hand².

Table 1 shows basic indicators for both of rural and urban area. We see from the table that average population of a town is 44 times as large as that of a village and that population density is also 15 times as high as that of a village. The figures confirm that an urban area referred in land holding surveys is totally different from rural area in nature

² See Vijayanunni(1998) for the details on census towns.

Table 1: Comparison of rural and urban area (2001)

	Rural Area	Urban Area
Number of Village Inhabited	593,732	-
Number of Towns	-	5,161
Number of Households	137,747,384	55,832,570
Population	742,617,747	286,119,689
Area in sq. km	3,118,238	78,163
Average Area of Village / Town in sq. km	5.3	15.1
Average Population of Village / Town	1,251	55,439
Population per sq. km	238.2	3,660.5

Source: GOI (2008), Statistical Abstract India 2007.

Second feature is that non farming households and households not possessing land are also included in the survey. In every land holding survey which has been conducted so far, all the households in a village chosen as a First Sampling Unit (FSU) are divided into four groups based on the size of land possessed regardless of occupation, and then a stipulated number of households are extracted from each group in the manner of random sampling method. In urban area, all the households in a block selected as FSU are also classified into four groups based on the amount of Monthly Per Capita Expenditure regardless of the area possessed or occupation.

NSSO seems to have taken a substantially different approach from that adopted in Japan to make statistics on land holding structure. In the case of agricultural census conducted by Japanese government, only farming households are surveyed. This way of investigation makes it extremely difficult for researchers to estimate the area leased out and to obtain information on those leasing-out land because non farming households are not surveyed despite the fact that considerable part of area is provided by ex-farming households. Collecting information on urban area and that on rural area separately and surveying not only farming households but also non farming households should be noted as the distinctive features of Indian landholding survey, which enable us to examine ownership of land by urban household.

A limitation of the land holding survey is also to be mentioned here. Land possessed by a firm and government is not covered by the survey. This restriction is not likely to affect the analysis attempted in this study, although it should be considered carefully while the land located in urban area is studied.

2-2 Questionnaire of Land Holding Survey

Three concepts of a holding, i.e. ownership holding, household operational holding and operational holding, have been used in all the landholding surveys to define a unit of farm management. The survey results are also tabulated in accordance with the three concepts of holding, and published in the government publications like NSS reports or Sarvekshanas. In the rest of the paper we will make use of ownership holding to consider the land ownership of urban household.

If we take the 48th round of NSS conducted in 1991/92 for instance, questions on ownership holdings are placed in the block five, six, seven and eight in the questionnaire used for the survey. The characteristics of households are asked in the block five, details of the member of households in the block six, land owned and land leased out by the households in block seven, and land leased-in in the block eight.

Questions on the land possessed placed in the blocks of seven and eight include those on location, acreage, utilization, irrigation facilities, leasing in and leasing out of the land. The unique feature of the landholding survey is that questions are put for each parcel of land. In addition to that, question on location of each parcel is also asked. Thanks to these features set in the questionnaire, we can see the relationship of location of land and residence of the owner of land.

Despite of the usefulness of the data obtained from the questionnaire, some of them including those on the location of land are not used by NSSO to make tables. Researchers have to resort to tabulation of the unit level data by themselves which have been available since 1990s. The results of tabulation using the data on location will be introduced and discussed in the next section.

3. Results of Tabulation: Land Ownership by Urban Households

3-1 Tabulation of data for All India Level

According to the tabulation of unit level data generated by the 48th round of NSS, the estimated number of households in India in 1992 is 116 million in rural area and 42 million

in urban area, though these numbers do not reflect the real number of households existed in the year. These numbers correspond to the number of households counted in the population census of 1981 as suggested previously. Although what counts in a landholding survey is not the figures regarding population, households or area but various ratios, number of households and area will be frequently mentioned in the rest of this paper to make the things understood easily.

According to the results of tabulation for the data from the block five where information on a household is collected, there were 104 million rural households owning land of more than 0.002 hectares excluding the area of homestead on the one hand, and there were 22 million urban households owning land as counted in the same way on the other hand. It can be said that the share of rural households owning land was 89% and that of urban households was 52%.

Table 2: Estimated number of households owning land by location of land (1992) (1000 households)

		Location of Land Owned				
		Only Rural	Only Urban	Both	N. R.	Total
Residence of Household Owning Land	Rural	76693 (99.6)	6 (0.0)	13 (0.0)	260 (0.3)	76972 (100.0)
	Urban	1565 (22.4)	5141 (73.5)	104 (1.5)	181 (2.6)	6991 (100.0)

Source: NSSO, 48th National Sample Survey unit level data.

All of the information on land owned has to be recorded in the block seven where details on owned land are dealt, but the number of households found in the block seven is far smaller than that of households found to be land owner in the block five, being 77 million in rural area and 7 million in urban area. A close investigation into the cause of the difference revealed that a considerable number of small land owner were not covered in inquiries in the block seven, especially when the size of land is less than 0.2ha.

The size of not recorded individual lands is too small to affect the estimation regarding the land owned seriously. The data in the block seven can be made use of for the purpose of our analysis, but the inconsistency damages the rigidity of statistical research to some extent.

Based on the data obtained from the block seven, we can make a cross tabulation regarding the location of land and residence of the owner of land. The result of the cross tabulation

in terms of household appears in table 2. The table shows that 73.5% of urban households with land own it only in urban area, 22.4% own it only in rural area and 1.5% own it in both of urban and rural area. On the other hand, almost all the rural households with land own it only in rural area with the share of 99.6%.

Table 3 shows the results of cross tabulation in terms of agricultural land which includes the area under seasonal crops and orchard. First of all, we can see from the table how much of agricultural land is located in rural and urban area. Out of 116.9 million hectares of land located in rural area, the area of agricultural land is 110.6 million hectares, accounting for 94.5%. On the other hand, in urban area agricultural land is 4.9 million hectares out of 5.5 million hectares of urban land, with the share of 90%. It is interesting to note that 90% of urban area owned by urban households is used for agricultural purpose despite of the high population density. The 4.9 million hectares

Table 3: Area of Agricultural Land by Location of Land and by Residence of Land Owner (1992)

		Location of Land Owned						Total
		Rural			Urban			
	Residence of Land Owner	Within State	Outside State	Total	Within State	Outside State	Total	
Area of Ag. Land Owned (thousand hecter)	Rual	108,204	135	108,339	4	2	7	108,346
	Urban	1,875	376	2,251	4,513	420	4,933	7,185
	Total	110,079	511	110,590	4,518	422	4,940	115,530
% of Area among Different Locations	Rual	99.9	0.1	100.0	0.0	0.0	0.0	100.0
	Urban	26.1	5.2	31.3	62.8	5.8	68.7	100.0
	Total	95.3	0.4	95.7	3.9	0.4	4.3	100.0
% of Area among Different Residences of Owners	Rual	98.3	26.4	98.0	0.1	0.6	0.1	88.5
	Urban	1.7	73.6	2.0	99.9	99.4	99.9	5.9
	Total	100.0	100.0	100.0	100.0	100.0	100.0	94.3
% of Area within / outside state to Total Area Located in Rural / Urban	Rual	99.9	0.1	100.0	65.4	34.6	100.0	-
	Urban	83.3	16.7	100.0	91.5	8.5	100.0	-
	Total	99.5	0.5	100.0	91.5	8.5	100.0	-
% of Agricultural Land to Total Area Owned	Rual	94.8	97.3	94.8	97.0	100.0	98.0	94.8
	Urban	81.1	83.9	81.5	91.2	78.4	90.0	87.1
	Total	94.6	87.1	94.5	91.2	78.5	90.0	94.3

Source: NSSO, 48th National Sample Survey unit level data.

of land in urban area used for agricultural purpose is staggering when it is compared with total agricultural area of 4.7 million hectares in Japan. The land of 4.9 million hectares in urban area may take on importance as urban development advances in the future.

Secondly the table reveals distribution of agricultural land among different locations. All of the agricultural land owned by households residing in rural area is located in rural area,

while out of the total agricultural land owned by households living in urban area, 68.7% is located in urban area and 31.3% is in rural area. It should be emphasised that as much as a third of area owned by urban households is in rural area. In addition to that, out of 31.3% of agricultural land located in rural area, 5.2% is outside the state where the land owners reside. This figure may lead to assumption that quite a number of farming households move from their original village to a city beyond the state borders, though we should not overestimate this move because urban households own only small portion of land located in rural area. The percentage is only 2 % as is shown in the table.

The data contained in the block seven can be used to examine the agricultural land leased-out. If the land is used for non agricultural purpose or left wasted, it is not counted as agricultural land here. If a land is recorded as agricultural land, it must be cultivated by the members of a household and / or the labourers employed or leased-out

Table 4: Area of Leased-out Agricultural Land by Residence of Land Owner and Location of Land (1992)

	Residence of Land Owner	Location of Land Owned						Total
		Rural			Urban			
		within state	outside state	rural total	within state	outside state	total	
Area of Ag. Land Leased Out (thousand hecter)	Rual	6,232	33	6,265	0	0	0	6,266
	Urban	519	271	790	1,256	301	1,556	2,346
	Total	6,751	304	7,055	1,256	301	1,556	8,612
% of Area among Different Locations	Rual	99.5	0.5	100.0	0.0	0.0	0.0	100.0
	Urban	22.1	11.6	33.7	53.5	12.8	66.3	100.0
	Total	78.4	3.5	81.9	14.6	3.5	18.1	100.0
% of Area among Owners of Different Residence	Rual	92.3	10.8	88.8	0.0	0.0	0.0	72.8
	Urban	7.7	89.2	11.2	100.0	100.0	100.0	27.2
	Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% of Ag. Area Leased Out to Total Ag. Area Owned	Rual	5.8	24.4	5.8	4.6	1.9	3.7	5.8
	Urban	27.7	72.1	35.1	27.8	71.6	31.5	32.7
	Total	6.1	59.5	6.4	27.8	71.2	31.5	7.5

Source: NSSO, 48th National Sample Survey unit level data.

to other farmers. Out of these cases, leasing-out of land can be examined by the land holding survey.

According to table 4, the area of agricultural land leased-out in rural area is 7 million hectare, while the total agricultural land in rural area is 110.6 million hectares as shown in table 3. The ratio of the land leased-out to total agricultural land is calculated to be 6.4%. The urban households own agricultural area of 2.3 million hectares out of which 790 thousand hectares are leased-out. The ratio of agricultural land leased-out amounts to

35.1%, showing a strong tendency of urban households to lease out agricultural land compared with rural households, with the corresponding ratio of only 5.8%. It is also found that ratio of area leased-out tends to be higher if the agricultural land is located outside the state. The ratio of rural agricultural land leased-out by urban households is 27.7% if the land is located within the state, but it is as high as 72.1% if the land is outside the state.

In rural area, the share of agricultural area owned by urban households is 2% as shown in table 3, but the share of area leased out is as high as 11%. It should be noted that urban households supply more than 10% of agricultural area leased-out in rural area. The influence of urban household on incidence of tenancy in rural area should not be ignored.

By the way, examining only the information on area leased out might be problematic. It may be insisted that the information on area leased-in should also be considered. It has been already confirmed in several reports on land holding survey that the ratio of land leased-in has always exceed the ratio of land leased-out by a large margin (NSSO, 1995). The lower ratio of area leased out can be attributed to hesitation of landowners to report leasing-out of land owing to fear of tenancy legislation. It is important to pay attention to the difference between the area leased-in and leased-out, but it does not mean that the information on area leased-out is inappropriate to be used. Full utilisation of data on leasing-out of land should be explored because it provides large amount of information on households leasing-out land since the household are surveyed as the sample households. Contrary to that, if the data on area leased-in is used, what can be known about the lessor of land is very limited information.

3-2 Interstate Variation in land ownership of urban households

Urban households play a unique role in land ownership and tenancy system in rural India, although the presence of urban household varies significantly state by state. Interstate variation in land ownership of urban household will be briefly explained here.

Table 5 shows selected indicators on the land located in rural area owned by urban households. First, the table shows that the share of land owned by urban households to total land located in rural area is high in Rajasthan (4.5%), Maharashtra (3.5%) and Tamil Nadu (3.5%) on the one hand and less than 1% in nine states such as Assam, Bihar, Gujarat on the other hand. Land ownership of urban household in rural area assume

Table 5: Selected statewise indicators on land located in rural area and owned by urban households (1992)

State	land owned by urban HH / total land in rural area (%)	ag. land owned by urban HH / total ag. land in rural area (%)	land located in rural area owned by urban HH / total land owned by urban HH (%)	ag. land leased out / total ag. land in rural area owned by urban HH (%)	ag. land in rural area leased out by urban HH / total ag. land in rural area leased out (%)
AP	3.4	3.2	35.9	56.5	27.5
AS	0.4	0.4	27.6	64.7	6.4
BH	0.3	0.3	7.5	11.8	1.0
GJ	1.2	1.2	17.8	72.3	19.8
HR	0.5	0.5	19.2	33.5	0.8
HP	1.0	1.3	39.9	99.7	24.4
JK	0.0	0.0	0.2	0.0	0.0
KT	2.1	2.2	19.3	41.8	8.2
KE	2.1	1.9	14.0	7.7	7.4
MP	1.7	0.8	30.1	49.6	9.6
MH	4.1	3.7	40.2	34.2	21.4
OR	0.8	0.8	23.2	47.0	5.0
PB	2.5	2.5	32.1	56.2	8.9
RJ	4.6	3.9	60.4	3.8	3.2
TN	3.7	3.4	39.0	44.1	16.4
UP	1.0	1.0	14.2	48.2	7.0
WB	1.4	1.5	49.8	70.0	19.7
OT	5.1	4.9	32.8	57.9	38.1
Total	2.4	2.0	32.6	35.1	11.2

Source: NSSO, 48th National Sample Survey unit level data.

importance in Rajasthan, Maharashtra and Tamil Nadu.

Secondly the share of area located in rural area to total area owned by urban households is as high as 60% and 50% in Rajasthan and West Bengal respectively.

Thirdly the ratio of agricultural land leased-out to total agricultural land in rural area owned by urban household ranges from 0% of Jammu Kashmir to 99.7% of Himachal Pradesh. It is suggested the way to manage the agricultural land owned by urban households is different region to region.

Lastly the share of agricultural land leased-out by urban households to total agricultural land leased-out in rural area is found to be more than 20% in Andhra Pradesh, Himachal Pradesh and Maharashtra. It should be emphasized once more that urban households provide no little parts of land leased-out which would take on great significance if farming in a larger scale is aimed at in India to strengthen agriculture in the global economy.

4. Conclusion

It is proved that the tabulation using the data on location available in unit level data of 48th round of NSS is useful to examine the land ownership of urban households. This kind of study is expected to provide a fresh point of view to analyse the land holding structure which is envisaged to be changing rapidly due to expansion of urban area, diversification in occupation, increased momentum for migration and so on.

Before closing discussion some issues on land holding survey would be pointed out. First the estimations for individual states based on the land holding surveys are sometimes found to be unstable. We can take the estimated ratio of land leased-in to total area operated as an instance. As shown in table 5, the largest holding in terms of area leased in explains significant share of total area leased-in in some states. The reliability of the estimation will be questioned when it decrease by one percent or more by omitting only single sample with largest area leased-in in the state. The decline seems very serious in Haryana. The problem is possibly caused by small sample size of land holding survey.

Secondly the most depressing problem regarding the land holding survey is that the investigation on location of land was ceased in the 59th round of NSS which is the sixth survey on land holding conducted by NSSO. The usefulness of the data has already demonstrated in this paper. It is strongly required that the related officers would decide to put the question on land location in the questionnaire again.

Table 6: Comparison of the ratio of area leased in with and without the largest operational holding in terms of area leased in (1992)

	% of operated area leased in	% of the largest operational holding in terms of area leased in	% of area leased in with the largest operational holding excluded	% of the largest operational holding in terms of area operated
AP	9.5	9.0	8.7	1.2
AS	8.9	16.7	7.5	1.5
BH	3.7	3.1	3.6	0.9
GJ	3.5	21.3	2.8	2.1
HP	4.8	14.2	4.2	2.8
HR	33.6	30.9	25.9	10.4
JK	3.8	13.2	3.3	0.9
KE	2.9	6.5	2.7	0.9
KT	7.5	17.1	6.3	1.5
MH	5.5	7.8	5.1	0.6
MP	6.5	4.0	6.2	0.5
OR	9.5	2.3	9.3	1.0
PB	19.0	2.8	18.6	1.2
RJ	5.2	16.3	4.4	1.4
TN	10.8	7.4	10.1	1.1
UP	10.4	3.7	10.1	0.4
WB	10.4	2.0	10.3	0.9
Total	8.3	4.6	7.9	0.4

Source: NSSO, 48th National Sample Survey unit level data.

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