

Land Inequality in India - Distribution, Patterns and Key Findings

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Land Inequality Latest News

- A recent study by the World Inequality Lab highlights significant land concentration in rural India.

Land Distribution in India

- Land ownership in India, particularly in rural areas, has historically been unequal due to colonial land systems, socio-economic hierarchies, and agrarian structures.
- Despite land reforms after independence, disparities persist in ownership patterns. Land is a crucial asset in rural India as it determines income, social status, and access to credit.
- Broadly, land distribution can be classified into:
 - Large landholders controlling significant agricultural land.
 - Small and marginal farmers owning limited land.
 - Landless households dependent on wage labour.

- This unequal distribution has direct implications for poverty, agricultural productivity, and rural development.

Key Features of Land Inequality

- Land inequality in India is measured using indicators such as land share concentration and the Gini coefficient.
- The Gini coefficient reflects inequality, where a higher value indicates greater disparity.
- Major features include:
 - High concentration of land among a small percentage of households.
 - Large proportion of rural households being landless.
 - Regional variations influenced by historical and institutional factors.

News Summary

- As per a recent study, the top 10% of rural households in India own 44% of total land, while about 46% of rural households are landless.
- The study, based on data from the Socio-Economic Caste Census (2011), covered around 650 million individuals across 270,000 villages in major Indian states.
- The concentration is even sharper at higher levels, with the top 5% owning 32% and the top 1% owning 18% of total land.
- State-wise analysis shows wide variation. Bihar records the highest land concentration, with the top household owning up to 20.1% of land, while Uttar Pradesh shows relatively lower concentration at 7.3%.
- Punjab has the highest landlessness at 73%, despite being an agriculturally advanced state. Meanwhile, Rajasthan and Uttar Pradesh show relatively lower levels of landlessness compared to Bihar and Madhya Pradesh.
- The Gini coefficient analysis reveals that **Kerala has the highest inequality** (around 90), followed by Bihar, Punjab, Tamil Nadu, and West Bengal. Karnataka and Rajasthan have comparatively lower inequality levels.
- The study notes that although 46% of households are landless, among those owning land, the average landholding size is 6.2 hectares. A significant portion of land is concentrated in small holdings, but control remains skewed.
- The largest landholder in a village controls about 12.4% of land on average, and in nearly 3.8% of villages, a single landlord owns more than half of the land.
- The report also identifies key drivers of inequality. Agricultural suitability and market access together explain about 18.3% of the variation in land inequality. Areas with better agro-ecological conditions tend to have higher land concentration.
- Social factors also play a role. Regions with higher Scheduled Caste populations exhibit higher inequality due to increased landlessness.
- Proximity to infrastructure such as towns, highways, and railway stations is associated with higher inequality, indicating that development alone does not automatically reduce disparities.
- Historical factors remain crucial. Areas under the zamindari system show higher inequality, while former princely states have relatively lower inequality due to lower landlessness.

Implications of Land Inequality

- Persistent land inequality has wide-ranging consequences.
 - It reinforces rural poverty and limits upward mobility.
 - It affects agricultural productivity due to fragmented holdings and unequal access to resources.
 - It creates social tensions and deepens caste-based disparities.
- Further, high landlessness reduces access to institutional credit and government benefits, thereby perpetuating economic exclusion.

Way Forward

- Addressing land inequality requires a multi-pronged approach.
 - Strengthening land reforms and tenancy rights.
 - Digitisation and transparency in land records.
 - Promoting cooperative farming and land pooling.
 - Enhancing access to credit and agricultural inputs for small farmers.
- Policy focus should also include social equity and targeted interventions for vulnerable communities.

Source: IE

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