

The Agrarian Structure
of Bangladesh:
An Impediment to Development

F. Tomasson Jannuzi
James T. Peach

Westview Special Studies on
South and Southeast Asia

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Westview Press / Boulder, Colorado

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Published in 1980 in the United States of America by
Westview Press, Inc.
5500 Central Avenue
Boulder, Colorado 80301
Frederick A. Praeger, Publisher

Library of Congress Cataloging in Publication Data
Jannuzi, F. Tomasson, 1934-

The agrarian structure of Bangladesh.

(Westview special studies on South and Southeast Asia)

Bibliography: p.

1. Land tenure—Bangladesh. 2. Rural development—Bangladesh. 3. Land reform—Bangladesh. I. Peach, James T., joint author. II. Title.

HD880.6.Z63J35

333.3'23'095492

79-17679

ISBN 0-89158-682-2

Printed and bound in the United States of America

Preface

There are more than eighty million people in Bangladesh, a nation-state roughly the size of the state of Wisconsin. The overwhelming majority of people are rural and dependent on agriculture for survival. Alternative opportunities for employment and income outside of agriculture are extremely limited. In these circumstances, improving the lot of the people mainly means increasing yields in agriculture and ensuring more widespread distribution of the food that is produced. These tasks are more easily verbalized than accomplished.

The people of Bangladesh are so rooted in rural poverty that there has been a tendency for some outsiders to believe that the only means of addressing their needs is to provide humanitarian aid through food shipments. Attempts to develop indigenous capacity to meet Bangladesh's problems have been based on the notion that progress in rural areas can be achieved by subsidizing the introduction of agricultural technology (high-yielding varieties of seeds, fertilizer, pesticides, and irrigation facilities). It is our thesis that the economic problems of rural Bangladesh are poorly addressed either by means of programs of humanitarian relief or of technological transfer alone. The former approach assumes that the people of Bangladesh must be beneficiaries of an international dole that meets short-term needs but does nothing to transform the basic conditions that would provide the basis for sustained economic progress. The latter approach assumes that there are no institutional or cultural impediments to technological transfer in agriculture. We believe that these assumptions are unwarranted.

Bangladesh need not be the beneficiary in perpetuity of an international dole. There is no agronomic reason that would prevent Bangladesh from producing sufficient food for its in-

ternal consumption and possibly for export. Yields per unit of land in Bangladesh can be increased enormously, even within the framework of indigenous means of production. This can be accomplished if it is recognized that the primary impediment to rural economic progress in Bangladesh is the traditional system of relationships of people to the land.

This traditional system is one in which ownership of land is divorced from personal labor on the land and investment in it. It is a system in which actual tillers of the soil must frequently give up at least 50 percent of their crop to absentee landlords. It is a system in which the primary sources of agricultural credit are usurious for actual tillers who lack a permanent right of occupancy to the land they till.

Utilizing new data from national sample surveys conducted in Bangladesh in 1977 and 1978, we will demonstrate that it is this traditional system of agriculture that must be transformed if the people of Bangladesh are to have any long-term improvement in their capacity to meet basic needs for food, clothing, shelter, employment, and income. Transforming the traditional agricultural system in Bangladesh will require changes in the agrarian structure that are difficult to invoke. The alterations required can potentially destabilize the political economy of the country, at least in the short run. This notwithstanding, we see no alternative for the government of Bangladesh but to assume the costs of transforming the traditional agrarian structure in order to establish economic and political conditions in the countryside that will confer long-term benefits on the people and government of Bangladesh.

F. Tomasson Jannuzi
James T. Peach

Acknowledgments

We are indebted to the Dacca Mission of the United States Agency for International Development and the Bangladesh Bureau of Statistics for providing the material resources and supporting services for our field research in Bangladesh in the period beginning in June 1975 and ending in December 1978. The views expressed in this work, however, are solely those of the authors and do not necessarily reflect those of any agency or unit of the government of the United States or of the People's Republic of Bangladesh. We would like also to acknowledge the support we have received from colleagues in the Department of Economics and in the Center for Asian Studies at The University of Texas at Austin.

F. T. J.

J. T. P.

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Historical Evolution of the Land System of Bangladesh

The Land System as Modified by the Permanent Settlement of 1793

Bangladesh is an agrarian society. The vast majority of her people are dependent on agriculture for survival. In such a society, the distribution of rights in land is of enormous importance to the economic system within which production, distribution, exchange, and consumption take place. The distribution of rights in land both helps to determine and reflects the structure of power in such a society. The contemporary distribution of rights in land in Bangladesh is the result of the historical evolution of a distinctive land system affecting not only Bangladesh, but also contiguous regions in India.

Prior to the intrusion of British power in this region in the eighteenth century, the cultivating peasantry enjoyed security of tenure (as distinct from the idea of absolute ownership) on the lands tilled by them on condition that they share their produce with *zamindars* (overlords acting as intermediaries between established authority and the tillers of the soil). Confused initially by this system of rights in land, the British servants of the East India Company assumed that the overlords or intermediaries were in fact owners of the land. They were not. In general, the *zamindars* had been appointed by Mogul authorities to collect land revenue from the actual cultivators. They were "revenue farmers" whose interests were distinctly different than the interests of those who themselves labored on the land. Yet the *zamindars* were treated by the British as if they were absolute owners of the land and could be induced to perform the functions of English landlords.

This perspective of the British concerning the zamindars was institutionalized by means of the *Permanent Settlement of 1793*. This "settlement"¹ with the zamindars by the East India Company ignored any rights in land among the actual tillers of the soil, now classified as "tenants" of the zamindars. The settlement also established the zamindars' right to fix their own terms of tenancy with their tenants and made clear that the land revenue payable by the zamindars to the East India Company (and later to the British Government of India) would be fixed in cash in perpetuity. That is, the "revenue" paid to the state by zamindars was permanently fixed in amount; rents paid to zamindars by tenants were not. Finally, the settlement conferred upon the zamindars certain proprietary rights;² they were accorded the privilege to transfer their rights to others and to divide their lands ("estates") without the sanction of the company (and later the state).

Belatedly, British authority came to realize that the indigenous land system had not previously vested in anyone an absolute property right in the land. Instead, the traditional land system had been one in which a hierarchy of interests or rights in land had customarily been recognized. Periodic attempts were made, therefore, to limit the rights of zamindars and to establish anew and protect the rights of their tenants. Regulations were established by the East India Company to prohibit the levying by the zamindars of illegal cesses (taxes) on their tenants and to make compulsory the signing of written leases governing all tenancies. But such regulations were difficult to enforce and did little to preserve or enhance any residual rights of actual cultivators.

Following the Permanent Settlement of 1793, the zamindars' rights and prerogatives continued to grow. In the Bangladesh region, they became de facto owners of the land though they themselves did not cultivate it. Instead, the zamindars settled their land temporarily with tenants, the actual cultivators. The cultivators paid rent in cash or in kind to the zamindars, and the zamindars passed on to the ruling authority a fixed amount of this rent as land revenue. Characteristically, the zamindars performed few, if any, agricultural functions; in general, they were utterly divorced

from labor on the land or investment in it. The actual cultivators assumed all of the responsibilities and risks of cultivation while being exposed periodically to the demands by zamindars for higher rents and illegal cesses. When cultivators fell behind in the payment of rent, or resisted demands for higher rents, they were ousted summarily by zamindars.

Periodically during the nineteenth century, British authority intervened to establish regulations designed to protect cultivators from the zamindars' abuses of power. As early as 1859, for example, it was established that cultivators who tilled the same lands for twelve years could be accorded "occupancy rights" to those lands, subject of course to the faithful payment of rent to their zamindars. But, the British continued to be unsuccessful in enforcing such provisions, and the rights of the cultivating peasantry of the region also continued to deteriorate.

Finally, in 1885 the British made a major attempt to establish an improved basis for landlord-tenant relations in the region. In that year, the Bengal Tenancy Act came into force. This Act established principles concerning landlord-tenant relations which, had they been fully implemented, would have provided the subsequent basis for tenant farmers either to maintain or to establish their own rights in land.

The Land System as Modified by the Bengal Tenancy Act of 1885 as Amended – 1885–1950

Whereas the Permanent Settlement of 1793 tended to ignore the full spectrum of customary rights in land and to confer proprietary rights to zamindars, the Bengal Tenancy Act of 1885 gave *de jure* recognition to the rights of others besides zamindars in the agrarian hierarchy. It gave legal substance to the rights, as well as the responsibilities, of those whose status had not been recognized by the Permanent Settlement. It established the basis for all subsequent legislation (even in contemporary Bangladesh) governing the relationships of people to the land in this region.

Though the Bengal Tenancy Act was many times amended

after 1885, was seldom implemented rigorously in behalf of weaker sections of the cultivating peasantry, and was repealed in 1950, its provisions help to expose the structure of the traditional land system of Bangladesh. Elements of this traditional agrarian structure persist in Bangladesh and aid in determining factors such as: (1) the basis of power in that society; (2) the distribution of income and wealth; (3) the beneficiaries of rural development programs, and (4) the characteristics of institutional obstacles to agricultural innovation on the land.

The Bengal Tenancy Act of 1885, as amended, presented a version of the intricately stratified system of rights in land in the region that is now Bangladesh. At the apex of the hierarchy was the ruling authority, the Provincial Government of Bengal. Below the Provincial Government were the zamindars, tenure-holders, and under-tenure-holders (those who had rent-collecting powers). In descending order, there were occupancy raiyats, non-occupancy raiyats and under-raiyats (all of whom were rent-payers having specified rights in land). At the base were sharecroppers and landless wage laborers (whose rights in land were either tenuous or nonexistent).³

Table 1.1 represents in simplified form the hierarchy of interests in land in the Bengal region. It should be noted, however, that a person could function simultaneously in two roles: for example, as a rent-collector (landlord) in relation to a rent-paying person (tenant) and as a rent-payer (tenant) to a third person having a superior right in land. Thus, even a raiyat (rent-payer) who sublet his holding could be (in relation to his tenant, or under-raiyat) a rent-collecting landlord. In practice, the distinction between a tenure-holder and a raiyat was often hard to draw. In such circumstances, the Bengal Tenancy Act stipulated that local custom would be the determinant in defining the nature of the tenancy. It was also stated explicitly in the Act of 1885 that if a raiyat held more than 100 standard bighas (33 acres), he would be presumed to be a tenure-holder until the contrary had been shown.

As earlier emphasized, each holder of land in the agrarian

Table 1.1
The Hierarchy of Interests in Land, 1885-1950

The Government

The Zamindar (legally, a proprietor, but acting as an intermediary of government in the collection of rent from tenants)

The Tenure-holder^a or Under-tenure-holder (acting as an intermediary of government in the collection of rent from tenants)

The Occupancy Raiyat^b (a rent-paying holder of land having the right of occupancy on the land held by him)

The Non-occupancy Raiyat (a rent-paying holder of land not having the right of occupancy to land in his possession)

The Under-raiyat

(a rent-paying holder of land having temporary possession of a holding under a raiyat)

Bargadars (sharecroppers)

Wage-laborers

^aTenure-holder means primarily a person who had acquired from a "proprietor" or from another tenure-holder a right to hold land for the purpose of collecting rents or bringing the land under cultivation by establishing tenants on it.

^bRaiyat is legally defined as a person who has acquired from a proprietor or from another tenure-holder a right to hold land for the purpose of cultivating it by himself, or by members of his family or by hired servants or with the aid of partners, etc.

hierarchy had specified rights and responsibilities in relation to his landholdings. A tenure-holder, for example, could have his rent raised by a zamindar within the terms of the Act, but, having been raised, the rent could not then be altered again for fifteen years. A tenure-holder's right to land was qualified; even when a tenure-holder was accorded a permanent right to land (meaning that the land was transferable and inheritable), he could be ejected by his landlord on the grounds that he had broken a condition (under the terms of a contract between him and his landlord) that made him liable to eviction. Thus, even a tenure-holder, himself a landlord in relation to those tenants below him in the hierarchy, could experience loss of his holding to someone with superior rights in land in a fashion wholly justifiable under law.

If the hierarchy of interests in land permitted landholders to function simultaneously as landlords to those of inferior status and as tenants to those above them in the hierarchy, that hierarchy also made clear (within the framework of the Act of 1885, as amended) that persons classified as raiyats could acquire an occupancy right to the holdings in their possession. In other words, raiyats (i.e., tenants of landlords) could acquire a statutory right to land in their possession, even though this right to land was qualified and less complete than that of an absolute owner. This might apply, for example, when a raiyat held land, whether under a lease or otherwise, for a period of twelve consecutive years in a village. While this principle had earlier been established in this region in 1859, the Act of 1885 strengthened a raiyat's claim to some land even when his actual holdings varied over the twelve-year period. Thus, by the Act of 1885, if a landlord sought to deny a tenant's potential claim to land by shifting him from plot to plot each year, breaking up continuity of possession, he could no longer do so. So long as a tenant could claim successfully continuous possession of some land in a village for the twelve-year period, his status as a settled raiyat⁴ having occupancy rights in land was assured.

If, within the terms of the Act of 1885, a tenant farmer could become an occupancy raiyat, it was equally clear that acquiring such status did not mean that the tenant owned the