TRANSACTIONS IN LAND MARKET 
IN HARYANA

ABSTRACT

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ABSTRACT

INTRODUCTION

The present study is concerned with the transactions in the land market in Haryana. Haryana is basically rural in nature. Majority of its population still live in villages. Agriculture with animal husbandry is the main occupation. In a low income labour surplus economy land is important factor of production as it provides livelihood to the majority of rural population. So study of land market in a low income country is important because of a variety of reasons. Given the importance of land households try to enlarge their holdings by buying land, or atleast cling to their existing piece of land.

Land transactions can be classified into three categories namely: (1) transfer of property rights by the seller to the buyer once and for all, when a household sells a piece of land he transfers the ownership right once and for all to the other party, (2) temporary transfer of property rights; (a) mortgage of land, (b) leasing out a piece of land to the tenant. In the case of mortgage the household transfers the ownership right temporarily with the hope that he will recover the same piece of land. This is the concept of Interim sale as discussed by K. Basu (1986). In the case of tenancy the transfer of land to the tenant is for a short and temporary period.
Several factors influence the expansion and contraction of owned land of peasant families through land market transactions. The speed at which land concentration can occur is influenced by the quantum of land transacted in the land market. For, given the limited supply of land, households who want to enlarge their landholding, can only do so through buying some existing land.

OBJECTIVES

The principal objective of the study is to probe the land market transactions as it operates in the rural areas of Haryana. Specifically, the objectives of the study are as follows:

(1) To study the trends in the sale, mortgage and prices of land in historical perspective,

(2) To discuss the nature of sale and purchase of land in recent years,

(3) To analyse the factors that influence the households for selling land,

(4) To analyse the background of the buyers and the sources of fund utilized for land purchase.

(5) To discuss the factors that influence the price per unit of land, the trends in the land price and area sold.
To understand the terms and conditions of contractual arrangements between the landlord and the tenants.

METHODOLOGY

The present study is based on the analysis of the both the primary and secondary data. The 1981 census data was used for the purpose of selection of districts and sample villages. The primary data relates to land sale and purchase, price paid per unit of land, land mortgage and various terms and conditions of tenancy.

In Haryana, three districts were selected on the basis of their level of development, namely, developed area, under developed area and relatively developed area. These are Karnal, Mohendergarh and Rohtak. From these three districts three villages, one from each, was selected on the basis of the infrastructural facilities available, location from town. Village census has been conducted to collect data relating, sale and purchase, mortgage and tenancy. In all these were 65 resident households who sold land and 81 buyers who purchased land during the period. There were 17 households who had mortgaged land in the study area. There were 51 tenants in all and 28 number of landlords. In all for all the purposes 259 households were interviewed.
DESIGN OF THE STUDY

This study is divided into eight chapters. The first chapter contains the statement of the problem, objectives, database, chapter scheme and limitations of the study. The second chapter discusses the evolution of different aspect of land transaction in contemporary Haryana. The third chapter provides socio-economic background of the state, study area and the sample villages. It also discusses the method of data collection and selection of the villages. Chapter four analysis the characteristics of sellers and the reasons for selling land, it also discusses the characteristics of buyers and the source of fund utilized for the purchase of land. Chapter five focuses the terms and conditions of mortgage of land. Chapter six discusses the trends in price of land and area sold. The seventh chapter analysis the land tenurial system in contemporary Haryana. It would be followed by the analysis of terms and conditions of tenurial arrangements prevailing in the sample villages. The last chapter contents summary and conclusion of the study.

MAIN FINDINGS

The findings of the study can be summarized as follows:

It has been found that the evolution of land sale and purchase has been taking place in Haryana since 1870. The trend in sale was limited during the later part of 19th century. It accelerated in the early parts of 20th century. The
occurrence of frequent famines in the first two decades, weaker the economic conditions of small peasantry, contributed for positively fo land sale and mortgage. There was not much difference between price per unit of land mortgage and sold. The money lenders provided a higher size of loan by keeping the land as collateral. Since, the repayment capacity of the small category peasants was vulnerable, in many cases it was not possible for them to recover the piece of land. The two world wars and the great depression of 1929-33, striked hard on the small peasantry. In the war time the price of produce was high but they had no surplus to sell except land. In the depression the demand for revenue was much higher and forced the peasants to sell land.

In recent years a number of economists including K.N. Raj (1970), K. Basu (1986, 90), Binswanger and Rosenzweig (1986), Plateau (1990) have emphasized the low turnover of land sale and purchase in the third world low income countries. Our finding revealed that hardly, 3.4 plots per year were sold and 1.5 sellers had sold land per year in the study area. Similarly, 3.3 plots per year were bought and an average 2.1 household purchased land per year. Such type of infrequent sale and purchase of land were found not only in the underdeveloped village but also in the developed village of the study area.
A variety of reasons were responsible for the sale of land by the farm household, among those the dominant were: (1) Conspicuous consumption and (2) Marriage of daughter. Our analysis revealed that there were some evidence of distress land sale for bare consumption before mid-sixties. However it has become marginal in recent years. Another important finding of the study is that after Independence land mortgage as a transfer of land has wane. Only 17 households were reported who mortgaged their land.

The institution of tenancy has drawn the attention of a number of economists since the writing of A Marshall. However, in recent fears Marshallian arfimenty has been criticized (Cheung 1968-69 and a number of other neo-classical writers). In 1992-93 there were 51 number of tenants and 28 number of landlords. Our study revealed that the terms and conditions of tenancy had rapidly undergoing charges even in the less developed regions of the study area due to the green revolution and other socio-economic transformation including availability of employment in agriculture and non-agriculture sectors. The composition of tenants revealed that out of 51 tenants, about 10% were marginal, 70% belong to semi-medium, medium and large category. The presence of pure tenant was marginal. One-third of the tenant have tractors, and many of them have other modern implements. A majority of the tenant household have lease-in land
in order to utilize their machinery and their credit worthiness help than to mobilize
find from the formal and informal credit market. In such a situation the bargaining
power of the tenant vis-a-vis the landlord was not weak.

As the lion's share of the contractual arrangement was fixed tenancy in which the tenants were free to receive the total amount after paying the landlords in cash. They have used modern inputs to raise the productivity in the land. On the whole in our study area, both in developed and under developed regions the terms and conditions of leasing-in do not discourage the tenant from maximising his level of inputs and the application of modern inputs has kept the land productivity from falling.

The finding relating to the composition of landlords revealed that a majority of landlords were not of the classical type. For instance about 42% of landlords belong to small and marginal category. In contrast to this about 22% were large farmers. Further the occupational background showed that about 64% of the total landlords in the sample were in service, who were mostly staying outside the village. Another 18% were widow/disabled household. 3.57% were businessmen and 7 another 3.57% were involved in non-agricultural activities. This composition is a reflection of heterogeneity with different diversified activity on the part of landlords. In such a situation the bargaining power of the
landlords vis-a-vis the tenant was not high. Rather, there have been a mutual arrangement regarding the terms and conditions in payment of rent and duration etc.

The overall conclusion that emanates from the study is that even in a buoyant agriculture the frequency of land sale and purchase is low. The availability of employment both in and outside agriculture, the diversification of crop and non-crop activities even by the small and marginal farmers, to which has increased their income through out the year help them not only keeping the land intact and prevented them from distress selling, which was earlier phenomenon. These factors have also contributed significantly for the declining of land mortgage in the study area.