

Causes behind Tenancy Contract among the Marginal Farmers of West Bengal, India and Its' Impact on their Livelihood

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The basic objective of this paper is to identify the possible factors which influence the marginal farmer households of West Bengal to go for tenancy contract. In our study area, only fixed rent contract is observed, and all the contracts are verbal in nature. It is observed that the possibility of leasing out owned land among the marginal farmer households is more if they have larger size of land, if there is lack of motivation among the younger generations to pursue agricultural activities for their livelihood; and if there are better earnings from different non-farm sources. On the contrary, landless or the marginal farmer households who own very small size of land are more eager to take land in lease for cultivation. Higher direct participation of household members in agriculture and earnings from alternative sources also play an important role during the time of taking lease-in decision. After applying Heckman two step treatment effect models, it is observed that marginal farmer households who leases out land are economically better-off than those class of households who are not interested in any such tenancy contract. It is also observed that farm households even after taking land in lease are economically worse-off than the farm households who are not interested in any tenancy contract. But most of the marginal farmer households which ever type is living below the poverty line.

I Introduction

Agriculture still occupies an important role in Indian economy where a large section of the population lives in the rural areas and their prime occupation is agriculture. Small agricultural landholdings constitute a vast majority of farmers in the developing countries including India (FAO, 2010). Hence, for sustainability in agricultural production and for food security purposes it is required that the livelihood of the small as well as marginal farmers is maintained. This can be done if it is observed that the marginal or the small farmers can generate profit purely from the agricultural activities and can have the opportunity to get employment in different non-farm sectors. In India, the number of marginal farmers is continuously rising because there is a gradual decline of per-capita

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