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# Land Titling and Agricultural Productivity in West Bengal

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## Executive Summary

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### *Background*

Secure land tenure and clear land titles are widely regarded as key institutional inputs that can strengthen farm-level investment, enhance access to credit and public programs, and thereby increase agricultural productivity and improve rural livelihoods. West Bengal, with a long history of land reforms, tenancy regulation, and more recent digitisation of land records, provides a policy-relevant setting to test whether clearer titles translate into measurable gains in input use, productivity, and incomes across farm sizes and social groups. The study frames land titling as an enabling institutional change whose effects depend on credit markets, market access, extension, and complementary public supports.

### *Objectives*

This study aims to investigate the relationship between land titling and access to credit, insurance, government subsidies, and other benefits, and to determine whether these advantages lead to increased overall land productivity.

The following objectives are addressed in the present study with a primary survey in the State of West Bengal:

- i. To study the nature of existing land titling legislation in West Bengal.
- ii. How clear land titling improves access to institutional credit
- iii. To explore the relationship between clear land ownership and the benefits of access to government subsidy schemes.
- iv. To understand whether clear titles help to overcome risk and uncertainty obtained in the family
- v. To explore the relationship between land titling, productivity, and net profit in the crop sector.

### *Study design (data and methods)*

In West Bengal, the study was conducted by the Agro-Economic Research Centre (AERC), Santiniketan. Two districts, Birbhum and Uttar Dinajpur, were purposively selected to represent different Agro-Climatic Zones of the state. Within each district, two blocks were chosen: Bolpur from Birbhum and Raiganj from Uttar Dinajpur. From each selected block, 1–2 villages were identified, and a detailed household survey was carried out using a pre-designed questionnaire.

In total, 240 households were surveyed—120 from each district. Within each district, 60 farmers with clear land titles and 60 farmers without clear land titles were selected, ensuring a balanced comparison group. Data collected included information on landholding details, area under cultivation, access to institutional credit, and access to government subsidies.

To meet the study's objectives, various analytical tools are employed, including the Gini coefficient (to measure inequality), Ordinary Least Squares (OLS) regression, the Cobb-Douglas production function (to estimate production relationships), and allocative efficiency analysis

using the Marginal Value Product to Marginal Factor Cost (MVP: MFC) ratio.

### *Major findings of the study*

**Title status and household profile:** Clear-title households tend to hold more owned land, have higher asset holdings and better access to formal loans and equipment finance; non-clear title households rely more on leased-in land and wage or labour-intensive secondary activities (sample patterns).

**Credit and subsidies:** Clear title farmers have comparatively better access to institutional credit and to subsidy programmes; lack of formal records was the single most frequently cited reason for non-access among non-clear title households (a substantial share reported ineligibility).

**Crop insurance and risk coverage:** The overall uptake of crop insurance is very low. Only a small fraction of clear-title farmers reported insurance coverage and virtually no non-clear title farmers were insured; lack of land records and awareness are major barriers.

**Productivity and crop-level heterogeneity:** The title–productivity relationship is nuanced and context-specific, varying by crop. For paddy (Kharif) clear-title households show slightly higher yields and value per acre, partly linked to better market/procurement access. For potato (Rabi), some non-clear title households (often cultivating leased-in, intensively managed land) recorded higher yields and values. Thus, title status interacts with cropping choice, land quality, and leasing behaviour to shape outcomes.

**Net returns and efficiency:** Regression and allocative efficiency analysis do not find a consistent, significant direct effect of holding a clear title on net returns per acre for paddy or potatoes. The MVP:MFC ratios reveal widespread misallocation of inputs (overuse of some inputs, underuse of higher-value inputs), indicating scope for gains in input management irrespective of title status. Overall, title clarity enables access to services, but is not, by itself, sufficient to guarantee higher net returns.

**Constraints and transaction costs:** Non-clear title households face longer, costlier, and more opaque procedures to regularise documents; high documentation costs, agent fees, delays and BLRO non-cooperation were commonly reported constraints to changing title status. These barriers limit the practical reach of formalisation.

### *Policy recommendations*

Based on the evidence, the report recommends a mix of supply-side reforms and complementary measures so that land titling's institutional advantages are converted into productivity and livelihood gains:

**Expedite and simplify land titling/record updating:** Streamline procedures, reduce documentation burdens and agency fees, expand outreach and digitisation (Banglarbhumi) efforts to reduce time and cost barriers for small and marginal holders.

**Improve access to institutional finance for non-titled and lessee farmers:** Encourage banks and state programmes to accept alternative proof of use/possession, scale up flexible collateral frameworks, and support SHGs / village credit societies as bridging mechanisms.

**Make subsidies and schemes more inclusive:** Where feasible, design subsidy eligibility that

recognises cultivator-level criteria (output, cultivation practice) rather than rigid title requirements, or provide simplified verification channels for those without full title.

**Expand insurance coverage and awareness:** Simplify enrolment procedures, enable alternative proof for smallholders, run targeted insurance literacy campaigns and improve claim transparency to build trust.

**Legalise and regulate land leasing to reduce informality:** Adopt/facilitate farmer-friendly leasing frameworks (consistent with the Model Agricultural Land Leasing Act recommendations) so that lessees can access credit and invest in productivity-enhancing practices.

**Extension, market linkages, and input guidance:** Combine titling with intensified extension on input use and resource allocation (to correct identified allocative inefficiencies), improved access to procurement, and market information. These complementarities are essential to translating title advantages into higher yields and net returns.

### *Conclusion*

The study concludes that clear land titles are a crucial institutional enabler, as they reduce exclusion from services, strengthen access to credit and subsidies, and enhance farmers' ability to treat land as an economic asset. However, title clarity alone is not sufficient to generate uniform or automatic gains in productivity or net returns. Crop-level patterns, leasing arrangements, market access, and inefficient input use mediate outcomes. To realise the full productivity and equity benefits of titling, policy must combine faster, cheaper and more inclusive titling with parallel reforms in credit, insurance, leasing law, extension services and market linkages. Implemented together, these complementary actions can convert tenure security into sustained improvements in farm efficiency and rural livelihoods.