



South Asian Network for Development  
and Environmental Economics

# POLICY Brief

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## PRIVATIZATION, CO-OPERATION AND SUSTAINABILITY - UNDERSTANDING THE IMPLICATIONS OF LAND-REFORM IN GOA

***Across the developing world the way in which land is controlled and managed has been steadily changing. In the past fifty years, community ownership has increasingly given way to privatization. The impact of this change on social equity and on the environment is a key issue that interests conservationists and politicians alike.***

A new SANDEE study looks at land re-distribution and privatization in India. Combining information from a field survey with historical research, the study analyses tradeoffs that came about after communal land is transferred to individual tenants. The study finds that new land-owners in Goa were unable to cooperate to finance the environmental protection measures that had been carried out under communal ownership. The subsequent decline in agricultural productivity and environmental sustainability led many farmers – especially those who had been in charge of traditional resource management - to leave their land. This study highlights the importance of traditional land management networks in any policy decisions related to land ownership. It suggests that providing security of tenure is not sufficient to guarantee sustainable environmental management.

The study is the work of Pranab Mukhopadhyay from the Department of Economics at Goa University. In his report Mukhopadhyay looks at the impact of land ownership changes that took place in Goa during the 1960s.

Goa, a small state in Western India, was one of the earliest (and last) European colonies in India (1510-1961). It has a long history of community land ownership and management. Prior to 1961, when Goa joined the Indian Union, a large part of the state's "recovered" lands and hill tracts were owned by a community institution called the *Comunidade*. The original settlers of the village were called *Gaunkars* and male descendants were given this title on reaching adulthood. The *Gaunkars* laid joint claim to the ownership of village *Comunidade* lands. The right to use these lands for agricultural purposes was periodically distributed to tenants through auctions. Auction rents

financed public works such as the maintenance of embankments and sluice gates. This work was vital for soil protection and agricultural productivity enhancement.

In 1964, tenancy legislation was introduced in Goa. These land reforms gave security of tenure to tenants. Tenants were given the right to purchase land at fixed rates to convert their tenancy claims to ownership rights. This amounted to the virtual privatization of the *Comunidade* lands, which were till then common property in the classic sense of the term.

### **DOES EQUALITY OF OWNERSHIP LEAD TO SUSTAINABILITY?**

To investigate the social and environmental impacts of the empowerment of the tenants, the dis-mantling *comunidades* and the dis-enfranchisement of the *Gaunkars*, Mukhopadhyay asks two questions: Does a more equal ownership of agricultural land

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This policy brief is based on SANDEE working paper No. 14-06, 'Heterogeneity, Commons & Privatisation: Agrarian Institutional Change in Goa', by Pranab Mukhopadhyay from the Department of Economics, Goa University, Goa, India. The full report is available at [www.sandeeonline.org](http://www.sandeeonline.org)



## COMMUNIDADES IN GOA

Documentation on the *comunidades* for the colonial period indicates that these village level institutions played a very important role in the agrarian economy of Goa. Some argue that till not so long ago, the entire agricultural area was owned by the *comunidades*. The process of creation of private cultivable lands happened mainly during the Portuguese period when land grants were made by the colonial state to expand its support base, and in later decades (1540 onwards) when the Portuguese crown undertook Inquisition in all its colonies to encourage religious conversion. The financial buoyancy of the *comunidade* depended on the productivity of its lands.

The *comunidades* used to undertake a variety of the soil conservation and productivity-enhancing activities, including maintenance of embankments, de-silting of rivulets, etc. These activities were undertaken out of the profits earned from the public auctions of cultivation rights. In 1964 the government enacted the Goa Tenancy Act, which took the powers of land auction out of the hands of the *comunidades* and transferred the responsibility for embankment maintenance to tenants. After tenancy reform, there were little or no revenues accruing to the *comunidades* and they were financially defunct.

make cultivators more amenable to cooperate to improve productivity? And does the privatization of common land lead to greater ecological sustainability?

These questions are at the centre of an on-going debate about land ownership, conservation and social equity. It is often argued that security of tenure is a key factor that will make people willing to invest in environmental conservation work. Mukhopadhyay aims to find out whether land asset re-distribution in Goa actually had this effect or whether it led to a reduction in the common good.

## GETTING THE LAND OWNERSHIP PICTURE

A field study was used to get an understanding of the current state of the agrarian economy in Goa and, juxtaposing this with various pieces of secondary information, to assess the impact of land-ownership changes. Households from four villages were interviewed. Three villages were chosen from North Goa (Goltim, Malar and Calangute) and one from South Goa (Curtorim). These villages were selected to represent different agro-economic zones and different levels of economic development.

In each village 90 households were randomly selected from three key agro-economic categories – Gaunkars (the male descendents of original village settlers), the tenants who rented *Comunidade* lands on auction and the Mundkars who were employed on private agricultural lands. The survey was designed to provide information on: (a) The current land holding structure, (b) the extent of fallow land caused by salinity (as an indicator of changes in farm productivity), and (c) how many people had left the agrarian economy following the change in tenancy legislation.

## SALINITY AND MIGRATION

Comparing the current land ownership situation with how things were before the tenancy legislation came into effect, it is apparent that tenants and Mundkars have increased their private land holdings. The Gaunkars,

**Table: Persons with Family Abroad and Receiving Foreign Remittances (Current Survey Data Results)**

Category (90 persons interviewed in each category)	Households with family abroad	Probability of having a family member abroad	Households receiving foreign income	Proportion of members abroad and remitting money
Gaunkar	53	0.44	25	0.47
Tenant	17	0.14	9	0.52
Mundkar	7	0.05	6	0.86
<b>Total</b>	<b>77</b>	<b>0.213</b>	<b>40</b>	<b>0.52</b>



*A bird's eye view of the khazans of Diwar*

in general, have held on to the private land they had before the new legislation. Overall this means that land ownership is now more equitable than it was in the pre-tenancy legislation situation.

The survey also indicates that there has been significant out-migration of farmers from Goa (See table). As expected, the majority of the households who had migration in the family were Gaunkar households. A significant factor contributing to migration is the number of years land remained fallow. Seventy three households reported having fallow lands due to salinity ingress. This gives a strong indication that a decline in land productivity has forced many people to leave their farms.

## **CO-OPERATION BREAKS DOWN**

An analysis of the historical developments that followed the tenancy legislation changes gives a good indication as to why the new laws had the effect they did on Goa's farmers and farms. Management of village affairs was transferred from the Comunidades in the post-1961 situation by two local-level bodies – the Panchayats (local government) and a Tenants' Association. The Panchayats did not have the mandate, the incentive or the financial strength to maintain the large agrarian public works that had earlier been carried out by the Gaunkars. The Tenants' Association, which was given the responsibility for land maintenance and was supposed to bring together the tenants who had benefited from the legislation, failed to sustain itself as an institution and was unable to undertake these activities. It is also evident that there was wide-spread

free riding on the part of tenants in the new regime – another reason why the Tenants Associations did not sustain collective action.

Currently, tenants do not even undertake minor repairs of embankments and leave it entirely to the state to do this work. Unfortunately, the state's environmental management mechanism is cumbersome and difficult to activate. It also lacks local participation. In financial terms the picture is no more positive. Even though there has been an increase in levels of nominal expenditure on soil conservation since the mid-60's, in real terms there has been a substantial decline. Given this situation - reduced local participation in environmental management and a decline in real expenditures - it is not surprising that embankment maintenance and other related environmental improvement activities have declined.

## **AN UNEXPECTED CONCLUSION?**

Mukhopadhyay's study shows that when the Comunidades lost their monopoly over agricultural land management, this led to a decline in the public works they used to carry out. This, in turn led to two key developments: (a) increased salinity ingress into farmers' fields, and (b) resulted in the exit of disenfranchised Gaunkars from the agrarian economy.



## SANDEE

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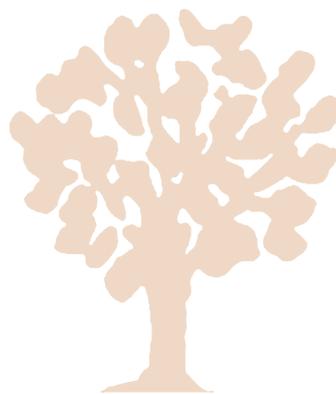
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It is commonly argued that security of tenure is a pre-condition for people to undertake conservation measures. By this argument the security of tenure that was heralded by the 1960's legislation should have led to better land conservation and management in Goa. Mukhopadhyay's findings are in direct contradiction to this: in the new regime homogeneity and security increased but cooperation to maintain embankments did not.

The critical question is therefore 'why did cooperation not emerge?' There are a number of possible answers. Firstly, clear rules governing the punishment of those who do not co-operate on public land management works (and the willingness to impose such rules) seem to be missing in the post-tenancy institutional arrangement. Such rules are a key way of ensuring co-operation. In comparison, when the Comunidades had the right to auction their lands prior to tenancy legislation, non-cooperation led to eviction and the cancellation of tenures. Secondly, it is clear that many of the previous managers of the agrarian system (Gaunkars) withdrew from village affairs after the new legislation came into play. This created a power vacuum which the new management institutions were not able to fill. Moreover, without a prior history of cooperation, the tenants failed to create new self-sustaining institutions even though there were state incentives to do so.

All of these possibilities point to one certainty - that the replacement of an organic local institution with one imposed by legislation can, at best, have unanticipated consequences. This means that when public policy involves institutional transition, there may be tradeoffs involved between equity and sustainability. The potential for such unexpected repercussions should be kept in mind by all policy makers and planners.



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