

Agrarian Revolution: A Viable Model for Nepal's Development

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Abstract

Nepal is an agrarian country. Its economy is based on land and agricultural activities. The total population that depends on agriculture for livelihood is about 67%. About 20.27% of the population is below the absolute poverty line. The data on Gross Domestic Product (GDP), poverty, rice production, productivity and import indicate that the present models, plans and strategies of agricultural development have not been effective in reaching out to the targeted group of farmers to improve their livelihood and lifestyle. Rice productivity and production have increased slightly but not the area under its cultivation. The condition of farmers is downtrodden and deteriorating. Land distribution and land tenure systems are defective. So, the present models of agricultural development are not working well. Therefore, we need to make a paradigm shift for which we need to take a common resource into consideration that is directly connected to a large population of farmers who are dependent on their survival on farmland. This article proposes an agrarian revolution in Nepal where it focuses on the simultaneous betterment of farmland, farmers and farming in a balanced way. The revolution envisions the development of land use plans, equitable land distribution, social welfare of farmers and the use of technology in farming. It further concludes that for the agrarian revolution to be successful, it needs all-out support of the government, active and responsible participation of farmers, political will and determination of the leaders and policymakers. In sum, the agricultural revolution is the foundation for making Nepal a strong and prosperous country.

Keywords: agrarian revolution, agriculture, land tenure, poverty, farmland

Introduction

Nepal is an agrarian country. Its economy is based on land and agricultural activities. According to the Economic Survey of the Government of Nepal (Ministry of Finance, 2023/24, p. 105), the contribution of the agricultural sector (including forests & fishery) to the Gross Domestic Product (GDP) was 24.0% in FY 2023/24 from 37.6% in FY 2010/11. The base year is 2010/11 (BS 2067/2068), and it is used to calculate the GDP.

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Currently, 82.9% of Nepal's population lives in rural areas. This population, directly or indirectly, depends on agriculture for their livelihood. However, 67% of the total population directly depends on agriculture and ekes out at agriculture for their livelihoods in a small area that covers only about 28% of Nepal's total area of 1,47,181 km. sq. Agriculture also has created a diverse array of jobs and employment from farming to small-scale enterprises. In terms of households, 62% belong to the farming population as opposed to 71% a decade ago. Along with farming, animal husbandry is a part and parcel of farming in Nepal and the current population of livestock is 26 million, which is 87% of the total human population of the country (National Statistics Office, 2021).

The Fourth National Living Standard Survey, as quoted in the Economic Survey (Ministry of Finance, 2023/24, p. 93) has characterized poverty in Nepal, a few of those characteristics are given below.

- The population below the absolute poverty line is 20.27%.
- The population under multidimensional poverty is 17.4%.
- Multidimensional Poverty Index = 0.07.
- Intensity of Multidimensional Poverty = 42.5%

National Statistics Office (2021) in its report "Agricultural Sample Census of Agriculture" further reports that

1. Out of 147,181 km² of land area, agricultural land is 28%, of which 21% is cultivated and 7% is uncultivated.
2. Some 70.5% of farmers' households consider agriculture as the main source of their income, which was 83% in the previous census.
3. About 51% of the farmer households cannot produce enough food to meet their annual needs.
4. Some 4,130,789 families depend on agriculture for livelihoods.

Changes in Agrarian Features

The rapid technological change, high degree of urbanization, revolution in communication and the improved level of farmers' awareness of farming and agricultural technology have shown rapid changes in agrarian features of the country over a period of time. The available data and information also further authenticate this situation. Some selected indicators are presented in tables from 1-5 to show the changes that have occurred during the past 5 years from FY 2017/18 to FY 2022/23. One of the macro-indicators is the Gross Domestic Product (GDP). Table 1 shows the changes in the annual GDP rate on the share of the agricultural sector and the GDP over five years. The growth rate was reported as 1.20% in FY 014/15 and for

the year 023/24, it has been projected at 3.05%. During the past five years, there has been a slight rise in the annual growth rate of GDP.

Table 1: Annual growth rate of GDP by agriculture in the past five years (at a constant price)
Growth rate = 1.20% in FY 014/15 and 3.05% in FY 023/24

Industrial Classification	017/18	018/19	019/20	020/21	021/22	022/23
Agriculture, Forest & Fisheries	2.61%	5.16%	2.43%	2.85%	2.35%	2.76%

Source: Economic Survey, 2023/24, Ministry of Finance (2024: 314, Annex 1:1)

The contribution of agriculture to GDP in the FY 023/24 is projected at 24.09%. Its contribution was 29.39% in FY 014/15. Table 2 shows the contribution of the agricultural sector to GDP from FY 017/18 has remained more or less at a constant rate from around 24% to approximately 26%.

Table 2: Contribution of GDP by agriculture (at a constant price) in the past five-year share = 29.39% in FY 014/15 & 24.09% in FY 023/24

Economic Activities	017/18	018/19	019/20	020/21	021/22	022/23
Agriculture, Forest & Fisheries	25.63%	24.92%	25.16%	25.80%	24.46%	23.92%

Source: Economic Survey, 2023/24, Ministry of Finance (2024: 325, Annex 1:12)

The Economic Survey (2023/24), quoting from the 4th National Living Standard Survey, reported the prevalence of poverty in different years. The data are shown in Table 3 for all surveys. Its prevalence in the first survey in 1995/96 was 41.76% and it went down to 20.7% in the fourth survey in 022/23. Likewise, in the rural area, it was 43.7% in the first 1995/96 survey which was drastically reduced to 21.66 in the 4th survey in 022/23. But still, the prevalence of poverty is high which is 20.7%. Changes can be seen in Table 3 below.

Table 3: Poverty rate in Nepal

Description	Nepal Living Standards Survey			
	1 st 1995/96	2 nd 003/004	3 rd 009/10	4 th 022/23
National Average	41.76%	30.85%	25.16%	20.7%
Urban	21.55%	9.55%	15.46%	18.34%
Rural	43.27%	34.62%	27.43%	21.66%

Source: Economic Survey 2023/24, Ministry of Finance [2024: 121, Table 6(b)]

Table 4 below shows the data on cultivation, production and productivity of rice during the past five years. The table shows a slight increase in production from 5152.92 mt in FY 2018/20 to 5486.47mt in FY 2022/23 and productivity from 3.51mt/ha in FY 2018/20 to 3.79 mt/ha in FY 2022/23 but a slight decrease in the area from 1489.54 ha in FY 2018/20 to 1447.79 ha in FY 2022/23.

Table 4: Cultivation Area, Production and Productivity of rice during the past five years

[1425.35 (ha), 4788.61 (mt) & 3.36 in FY 014/15) and [4738.18 (ha), 5724.23 (mt) and 3.98 in 023/24]

Indicators/Fiscal Year	018/19	019/20	020/21	021/22	022/23
Area (in 000 hectare)	1469.54	1458.92	1473.47	1477.38	1447.79
Production (metric ton)	5151.92	5555.88	5621.71	5130.62	5486.47
Productivity (metric ton/ha)	3.51	3.80	3.82	3.47	3.79

Source: Economic Survey2023/24, Ministry of Finance (2024: 414, Annex 7.1)

The rice import situation is rather disappointing. Nepal, once a rice exporting country, has been currently importing rice from different countries. A substantial amount of rice is imported from India. According to the Foreign Trade Statistics of the fiscal year 2022/23, the quantity of rice (paddy, rice, broken rice, seeds, husk and others) imported was 409,843 mt with a value of NPR 22.3 billion. Now Nepal is heavily dependent on rice imported from various countries. With regards to imports, India is a major trading partner for both exports (72% of total exports) and imports (64% of total imports) (Department of Customs, 2023).

Table 5: Import of rice during the past five years

Fiscal Year	Quantity of Rice (mt)
018/19	769,567
019/20	788,492
020/21	1,423,810
021/22	840,649
022/23	409,843

Source: Department of Customs (2022/23 and Reports of Various Years)

Data in all these tables show a slight or no change in the growth rate of, and the share of the agricultural sector in GDP and the area, production and productivity of rice but a significant decrease in the prevalence of poverty at 21.66% during

the past five years. These findings boil down to the fact that agricultural plans, models, strategies and processes are not as effective as they should have been. This is because plans are not focused, nor, are they based on real-life situations. They are too sectoral. Also, they are not participatory, nor responsive to people. The most important thing that is missing in the blending of hardware and software of the plans is “heart-ware.”

Despite the hard work of farmers, their living conditions and lifestyles have been miserable and helpless. Such conditions could be attributed to a defective tenure system, unequal distribution of farmland, standing crops highly prone to natural disaster, prevalence of the law of inheritance and unavailability of inputs on time. Should this condition prolong, then it is likely to invite a serious crisis and plunge the country into a vicious cycle of abject poverty. Therefore, this is high time for us to make a paradigm shift in our thinking, acting, using resources, working and applying technology.

Three-fourths of the population leans directly on agricultural land for their livelihoods and sixteen percent depend indirectly on agricultural farmland. It is the common resource for the sustainable development of Nepal, especially in alleviating poverty, meeting basic needs, guaranteeing food sovereignty and developing an effective agricultural system. On top of it, land is the primary source of wealth, political power and social prestige. It is also an important factor of production, a source of material wealth and a productive venue for investment. Therefore, land should be the key resource and conduit pipe for all programs and planning in Nepal. Against this background, the concept of agrarian revolution has been proposed as an alternative model for sustainable development in Nepal.

Agrarian Revolution: A Concept

The concept of agrarian revolution is a complex relationship among humans, lands, production, service structure and food security against disaster. It has been schematically presented in the diagram. According to the diagram, the triangle of agrarian revolution consists of farmers, farmland and farming. In other words, a farmer works (does farming) on his farmland. Farming activities connect farmers and farmland. All three of them should move together in a balanced way. A slight change in one makes a big change in the other two and ultimately in production and should receive continuous feedback from research, education and monitoring sides (Lehmann, 1974; Riedinger & Smith, 1995).

The basic assumptions that demand agrarian revolution in Nepal are:

- a. The existing land distribution is defective and has created inequality in terms

- of rights, access and opportunities for the people dependent on farmland.
- b. The land tenure system is not favorable for the improvement of the life, livelihood and lifestyles of farmers
 - c. The existing support services do not cater to the needs and requirements of farmers.

1. Agrarian System

The adjective “agrarian” comes from the Latin word “ager” meaning a field. But over time, its meaning has been expanded to include anything rural or farm-related. According to the Cambridge Dictionary, the word “agrarian” means lands, especially the use of land for farming (Lehmann, 1974; Ghosh, 1983). Any society that makes its income from farming is called an agrarian society. According to the Sociology Group, the majority of the people of an agrarian society derive their income from agricultural activities and agro-businesses. That is why it is agriculture-based and also called an agricultural society (Jacob, nd; DAR, 2023).

2. Historical Development

The historical evidence suggests that the first agrarian civilization developed in Mesopotamia (now in Iraq), then in Egypt and Nubia (now northern Sudan) around 3200 BC and then civilization developed respectively in the Indus Valley, China and South America along the Andes mountains around 2000-1000 BCE (Tuma, 2022). The agrarian revolution made a big shift from hunting and gathering to agriculture. Humans started shifting from hunting-gathering to agriculture around 12,000 years ago, which marked the end of the Ice Age and the start of the Holocene epoch. This is known as the Neolithic revolution. The revolution changed how people live, eat and interact and allowed people to settle down. Their settlement gave rise to new social structures and social organizations. These ancient civilizations were all agrarian (Riedinger, 1995; Tuma, 2022)

The Americans regard Thomas Jefferson as the father of Agrarianism. He emphasized the development of soils in America. The British consider the use of seed drill and Enclosure Acts as the beginning of the first agrarian revolution in the 16th century. In Nepal, King Prithvi Narayan Shah is the father of the agrarian revolution, who advocated the wise use of farmland in the 18th century. It is mentioned in his *Dibya Upadesh*,

“घर हटाएर पनि खेत बनाउनु”

गह्रो बन्ने जग्गामा घर भए पनि घर अरु जग्गामा सारी कुलो काटी खेत आवाद गर्नु ।”

Its transliteration is, “Even if a house is on a wide terrace, move the house to another place and reclaim the land for cultivation after building a canal to it.”

Agrarian Revolution

The agrarian revolution is different from land reform in the sense that the former has a wider meaning than the latter. Land reform means the distribution of land and tenancy rights whereas agrarian revolution includes the welfare of farmers, redistribution of farmland, reform of the land tenure system, development of land use plan, improvement in farming activities, equitable sharing and distribution of benefits and provision of infrastructures and services of products. In short, the agrarian revolution is concerned with political, economic, political and equity dimensions as well (Sobhan, 19993; Regan & Smith, 2020).

1. Farmland

Farmland is the basis of the agrarian revolution. Without farmland, an agrarian revolution cannot even be thought of. To manage farmland, the following needs to be done systematically:

a. Development of land-use plan

A land use plan is a must for agrarian revolution and should be developed based on the quality of soils. And zoning should be done for both fertile and infertile lands and farmland should be separated from other lands for farming.

b. Reform of land tenure system and land redistribution

While redistributing land, social justice and fairness should be taken into consideration. If necessary, the rights, access and opportunities of farmers should be ensured. Major activities include:

- i. Reform of the land tenure system
- ii. Two-thirds of the produce to the share-cropper
- iii. Safeguarding the rights of the tenants
- iv. Fixing ceiling on landownership and tenancy
- v. Buying excess land by the government at market value
- vi. Selling of the same excess land to farmers, farmworkers and the landless at a subsidized price
- vii. Prevention of land fragmentation, careless cultivation, subletting and barren land
- viii. Eradication of absent landlordism.

c. Development of farmland policy

Farmland is not an exchangeable or displaceable asset, nor is it a convertible thing for other purposes. Under no circumstances, the size of the farmland should be reduced. At the policy level, the following activities

are suggested:

- i. Protecting soil and its health
- ii. Definition of farmers and their classification
- iii. Mechanization, commercialization and modernization
- iv. Incentives for growing high-value crops, industrial crops, medicinal and aromatic plants and establishing agro-industry
- v. Restriction on the construction of farmland for residential plots, roads, electricity and other purposes.

2. Farmers

Farmers include peasants, tenants, laborers, the near-landless and the landless. Their welfare is the major concern of the agrarian revolution. They need to be empowered and their capacity developed. Almost all the things we need in our daily lives are replaceable but not food. Ultimately people have to depend on farmers for food. Therefore, farmers are the backbone of a country. To empower farmers, the following are suggested:

- i. Retention of the farmers in farming activities
- ii. Provision of pension
- iii. Insurance against crop loss due to disaster, climate change, pandemonium & animals
- iv. Soft loan & credit to the landless without any collateral
- v. Set up of buffer stocks of agricultural commodities
- vi. Strong education and health system
- vii. Provision of shelter & basic needs
- viii. Generation of off-farm employment
- ix. Set up of pooling system for machinery, tools and equipment

3. Farming

Farming is an inclusive term and includes the production of cereal grains, fruits, vegetables, flowers, fodder medicinal and aromatic plants and others. Their production depends on the type of farmlands, inputs, technology and labor. Therefore, farming is an operation as well as a process. To maximize the production, it should include the following:

- i. Sensitization of farmers, extension workers and researchers on new technology
- ii. Promotion of commercialization, modernizing and mechanization of farming

- iii. Adoption of integrated farming (mixed farming)
- iv. Prioritization of the low volume, high-value crops, value-chain system and climate-smart crops
- v. Incentives for agro-industries and growing industrial crops
- vi. Provision of support services for improved seeds, fertilizers, subsidized credit, technology transfer, sharing and distribution of benefits
- vii. Set up of basic infrastructures (irrigation, storage facilities, road, electricity, irrigation, & marketing outlets)

Conclusion

The present model of agricultural development has not been effective in reaching out to those struggling to meet basic needs. If this situation continues, the farming population will be trapped in a vicious cycle of abject poverty in such a way that it would be extremely difficult to rescue them from it. The paper, therefore, has suggested agrarian revolution as an alternative way to address poverty, food security and a sustainable agricultural system. The agrarian revolution is a whole-of-the-government system-based approach. Without the backing of the government, it will not happen on the ground. It needs all-out support from the government, donors and international non-governmental organizations. Its success depends on the political will and determination of all the concerned-the state, leaders and policymakers together with well-informed, active and responsible participation of the farming population. If necessary, even the existing laws should be revised or changed as and when necessary. In sum, the agricultural revolution is the foundation for making Nepal a strong and prosperous country.

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