



Landlessness and the Reproduction of Rural Inequality in Nepal

Him Kumari Kapri^{1*}, Arvind Shah^{2*}

1. Brooklyn College, Suredhara Kathmandu

2. Director at Khalti (Panipokhari, Kathmandu)

Abstract

Landlessness and persistent agrarian inequalities in Nepal continue to shape rural poverty, reflecting the enduring effects of historical land tenure systems, social hierarchies, and uneven policy implementation. The purpose of this study is to examine how landlessness reproduces rural inequality in Nepal by exploring the historical, social, economic, and geographic factors that shape access to land and its consequences for poverty and social exclusion. Findings show that landlessness remains the key driver of rural inequality in Nepal, with smaller landholdings directly linked to higher poverty, deepening structural marginalization, and compounded vulnerabilities for women, Dalits, and indigenous communities. The research also identifies future avenues for exploring intergenerational landlessness, migration, and the effectiveness of reforms to promote inclusive rural development in Nepal.

Keywords: agrarian relations, landlessness, rural inequality, Nepal, feudal tenure systems

Manuscript Received
23 June, 2025

Final Revision
26 August, 2025

Accepted
28 August, 2025

*H.K. Kapri (himkapri13@gmail.com), A. Shah (arvind@khalti.com)

© Authors; Published by Panauti Journal and peer-review under the responsibility of Indreshwor Campus.

Licensed under CREATIVE-COMMONS license CC-BY-NC 4.0



1. Introduction

Nepal's economy is basically driven by the agrarian system and subsistence farming. The majority of people's main occupation is farming, and most festivals are closely tied to the cultivation calendar. Due to the legacy of the feudal tenure system, the structure of Nepal's agrarian sector has historically been characterized by manifest disparities in land ownership, which have sustained socioeconomic stratification and rural poverty (Regmi, 1976; Upreti, 1994). The population of rural Nepal continues to experience cycles of exploitation and marginalization due to unequal access to land, despite numerous land reform initiatives since the mid-20th century (Blaikie, Cameron & Seddon, 2002).

The majority of peasants were reduced to tenant farmers or landless laborers due to the historical dominance of feudal land tenure systems like Birta (land grants to elites), Raikar (state-owned land), and Kipat (communal land for indigenous groups). Despite the formal abolition of feudalism in the 1950s, its structural legacy still influences modern agrarian relations, with 17% of households experiencing landlessness (Central Bureau of Statistics, 2021).

Nepal's ongoing land inequality is an ingrained socio-political phenomenon that intersects with caste, ethnicity, and gender hierarchies, making it more than just an economic problem (Bennett, 2005; Gellner, 2007). Landlessness disproportionately affects marginalized groups, including women, Dalits, and indigenous communities (Adivasi Janajatis), restricting their access to political agency, credit, and livelihoods (Adhikari & Hobley, 2015; Nightingale, 2011). Landed elite opposition and ineffective bureaucracy have hindered the implementation of progressive land reform laws, such as the Land Act of 1964 and its amendments (Joshi & Mason, 2007). Because of this, land reforms have mostly failed to topple long-standing power structures, permitting historical injustices to continue (Sugden & Gurung, 2021). A complex web of power dynamics involving landless laborers, sharecroppers, landlords, and tenants characterizes agrarian relations in Nepal. These relationships are ingrained in political structures and social hierarchies; economic power, credit availability, political engagement, and social mobility are still significantly influenced by land ownership. Therefore, landlessness is more than just a lack of property; it is a state of structural marginalization that is frequently accompanied by food insecurity, housing insecurity, displacement vulnerability, and denial of state services.

With an emphasis on the structural elements that maintain landlessness despite policy initiatives, this study investigates the ways in which Nepali agrarian relations perpetuate rural inequality. Using frameworks from political economy and historical institutionalism (North, 1990; Bernstein, 2010), the purpose of this study is to examine how landlessness reproduces rural inequality in Nepal by exploring the historical, social, economic, and geographic factors that shape access to land and its consequences

for poverty and social exclusion. The study adds to larger discussions on social justice, rural development, and agrarian change in Nepal. It makes the case that, in order to achieve significant land reform, systemic adjustments addressing the interlocking disparities that underlie rural poverty are just as important as redistributive measures.

2. Literature Review

Nepal's persistent rural inequality is deeply rooted in historical land tenure systems such as Birta, Raikar, and Kipat, which concentrated land ownership in the hands of elites while marginalizing tenant farmers and landless laborers (Regmi, 1976; Upreti, 1994; Blaikie, Cameron, & Seddon, 2002). Despite the formal abolition of feudalism in the 1950s and multiple land reform initiatives, landlessness remains widespread, affecting 17% of households (Central Bureau of Statistics [CBS], 2021). Scholarship highlights that land inequality intersects with caste, ethnicity, and gender, disproportionately disadvantaging women, Dalits, and indigenous groups (Bennett, 2005; Gellner, 2007; Nightingale, 2011; Adhikari & Hobley, 2015). Moreover, elite resistance, bureaucratic inefficiency, and weak policy implementation have limited the effectiveness of reforms like the Land Act of 1964, allowing structural marginalization to persist (Joshi & Mason, 2007; Sugden et al., 2016). These studies establish a clear link between agrarian relations, land access, and the reproduction of rural inequality in Nepal.

However, gaps remain in understanding how these inequalities are reproduced across generations and mediated by social, political, and economic relations. While existing literature documents the prevalence of landlessness and its socio-economic consequences, fewer studies examine the interplay of land tenure, household relations, and access to credit or resources in shaping ongoing vulnerability (Sugden, 2019; Shrestha, 2020). In addition, limited attention has been given to the ways caste, ethnicity, and gender intersect to reinforce landlessness and constrain rural mobility (Nightingale, 2011; Gellner, 2007). By addressing these gaps, this study situates landlessness not merely as a lack of property but as a structural mechanism that perpetuates social and economic inequality in Nepal's rural communities.

3. Objective and Methodology

This study examines how landlessness reproduces rural inequality in Nepal by exploring the historical, social, economic, and geographic factors that shape access to land and its consequences for poverty and social exclusion. The research primarily analyzes policy documents, including the Nepal Living Standards Survey IV (2022–23) (see Bowen, 2009; National Statistics Office, 2024). The secondary data from these documents empirically supports mapping patterns of land ownership, land distribution, and the persistence of landlessness and near-landlessness across various regions and demographic groups. The following section presents the results under the headings: land ownership status and poverty gap, and regional disparities.

4. Results

4.1 Land Ownership Status and Poverty Gap

The statistical analysis of land ownership in Nepal highlights significant correlations between landholding size and poverty, revealing pronounced disparities across rural and urban populations. Key findings reveal stark disparities: landless households show the highest poverty headcount rate nationally (20.15%), which intensifies in rural areas (33.41%). The poverty gap and squared poverty gap metrics demonstrate that landless populations experience deeper and more severe poverty. Notably, while landless households constitute 34.56% of Nepal's population, they represent 34.34% of the poor, indicating near-proportional representation in poverty statistics.

Rural areas exhibit more extreme patterns, with landless rural households facing a 33.41% poverty rate despite comprising only 16.62% of the rural population. Urban areas show slightly moderated but still significant patterns, with landless urban residents accounting for 42.42% of the urban population but 41.32% of the urban poor. The data clearly illustrate an inverse relationship between landholding size and poverty incidence, with poverty metrics consistently declining as landholding increases. This structured analysis provides valuable insights for targeted poverty alleviation and land reform policies in Nepal.

Table 1 *Land Ownership Status in Nepal*

Land Ownership Status	Incidence			Distribution	
	Headcount rate	Poverty gap	Squared Poverty gap	of the poor	of the population
Nepal					
No Land	20.15	4.63	1.49	34.34	34.56
<0.2 ha.	23.32	5.22	1.76	22.62	19.66
0.2-1 ha.	20.36	4.27	1.37	35.16	34.98
1-2 ha.	16.14	4.25	1.51	6.18	7.76
2+ ha	11.38	2.20	0.65	1.70	3.04
Rural					
No Land	33.41	8.82	3.28	22.54	16.62
<0.2 ha.	27.13	6.56	2.23	22.34	20.30
0.2-1 ha.	23.48	4.97	1.61	46.30	48.62
1-2 ha.	16.88	3.23	0.95	7.36	10.74
2+ ha	9.91	2.11	0.53	1.50	3.70
Urban					
No Land	17.86	3.91	1.19	41.32	42.42
<0.2 ha.	21.57	4.60	1.54	22.78	19.38
0.2-1 ha.	18.07	3.76	1.19	28.56	29.00
1-2 ha.	15.61	4.99	1.92	5.48	6.44
2+ ha	12.25	2.25	0.71	1.84	2.76

Source: NLSS report 2022/23

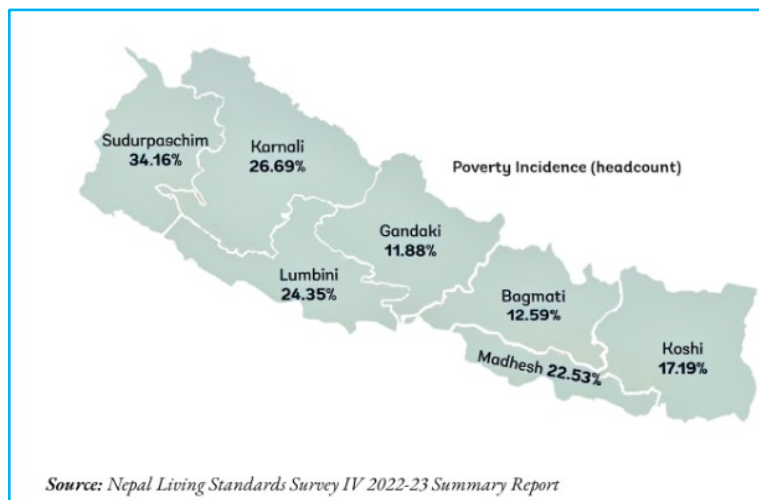
Overall, the persistence of landlessness in Nepal plays a central role in reproducing rural inequality, as reflected in the distribution of poverty across different landholding groups. The statistical analysis shows that landless households bear the heaviest burden of poverty, particularly in rural areas, where a third of landless households live below the poverty line despite representing a smaller share of the population. As landholding size increases, poverty incidence, depth, and severity consistently decline, highlighting the strong inverse relationship between land ownership and economic well-being. These patterns underscore how unequal access to land not only entrenches poverty but also perpetuates structural inequality, emphasizing the need for targeted land reform and poverty alleviation strategies to address Nepal's enduring rural disparities.

4.2 Regional Disparities

Data from the Nepal Living Standards Survey IV (2022–23) reveal stark provincial disparities in poverty incidence. Sudurpashchim Province is the most severely affected, with a poverty headcount rate of 34.16%, followed by Karnali (26.69%) and Lumbini (24.35%). Madhesh Province exhibits a rate of 22.53%, while Koshi reports 17.19%. In contrast, Bagmati Province records the lowest poverty rate at 12.59%, reflecting its economic advantages as an urban and administrative hub. The mountainous Gandaki Province reports a relatively lower rate of 11.88%, likely due to tourism and remittance-based economies.

These disparities highlight the intersection of geographic isolation, agrarian dependency, and uneven development, with historically marginalized regions such as Sudurpashchim and Karnali bearing the heaviest burdens. The data underscore the urgent need for targeted poverty alleviation strategies that address regional structural inequities.

Figure 1 *Poverty Incidence (Headcount)*



The Nepal Living Standards Survey IV (2022–23) highlights how regional disparities in land access and economic opportunity reinforce rural inequality across the country. Provinces such as Sudurpashchim and Karnali, marked by geographic isolation and heavy dependence on subsistence agriculture, experience the highest poverty rates, while economically advantaged regions like Bagmati show significantly lower poverty. These patterns demonstrate that structural factors—landlessness, limited infrastructure, and uneven development—intersect with geography to reproduce inequality across rural Nepal. The findings underscore the critical need for regionally targeted interventions, including land reform and rural development policies, to address the persistent spatial and economic inequities that sustain poverty.

5. Discussion of Findings

This study illuminates the enduring role of landlessness in reproducing rural inequality in Nepal, emphasizing how historical, social, and geographic factors converge to sustain structural marginalization. The persistence of landlessness is deeply rooted in historical land tenure systems such as Birta, Raikar, and Kipat, which concentrated land ownership in the hands of elites while systematically marginalizing tenant farmers and landless laborers (Regmi, 1976; Upreti, 1994; Blaikie, Cameron, & Seddon, 2002). Despite formal legal reforms and policy interventions since the 1950s, including the Land Act of 1964, landlessness remains widespread, affecting a significant portion of households and disproportionately impacting women, Dalits, and indigenous communities (CBS, 2021; Bennett, 2005; Gellner, 2007; Nightingale, 2011; Adhikari & Hobley, 2015). These historical and social dimensions reveal that land access is not merely a matter of property rights but a critical determinant of social and economic inclusion.

Empirical findings from the Nepal Living Standards Survey IV (2022–23) reinforce this perspective by demonstrating a strong inverse relationship between landholding size and poverty incidence, depth, and severity. Landless households face the highest poverty rates nationally, which are particularly pronounced in rural areas, where structural constraints, limited infrastructure, and dependence on subsistence agriculture exacerbate vulnerability. These patterns are consistent with prior research highlighting that poverty is not evenly distributed but closely aligned with land access and tenure relations (Joshi & Mason, 2007; Sugden et al., 2016). The near-proportional representation of landless households among the poor suggests that landlessness functions as both a direct and indirect mechanism of social exclusion, reproducing inequality across generations.

Regional disparities further underscore the interaction of geographic isolation, agrarian dependency, and historical marginalization in perpetuating inequality. Provinces such as Sudurpashchim and Karnali exhibit the highest poverty rates, reflecting limited access to productive land, weak infrastructure, and dependence on subsistence farming, whereas urbanized and economically advantaged regions like Bagmati display lower

poverty levels. These findings highlight that rural inequality in Nepal is not solely a function of landholding patterns but also a product of the spatial distribution of economic opportunities and public services. The persistence of extreme poverty in historically marginalized regions aligns with the notion that structural inequality is reproduced through intertwined social, economic, and geographic relations (Bennett, 2005; Nightingale, 2011). The study also reveals critical intersections between landlessness and social hierarchies, including caste, ethnicity, and gender. Women, Dalits, and indigenous groups face compounded vulnerabilities due to limited land access, which restricts their economic autonomy, bargaining power within households, and ability to leverage social networks for mobility and resilience. This confirms that land inequality operates not only as an economic deficit but also as a mechanism of social exclusion, reproducing hierarchies and limiting access to development opportunities (Gellner, 2007; Shrestha, 2020).

Taken together, these findings illuminate the structural mechanisms through which landlessness reproduces rural inequality in Nepal. Land access is not an isolated factor; it is embedded within broader social relations, policy frameworks, and regional disparities. The persistence of high poverty among landless households, particularly in rural and marginalized provinces, underscores the insufficiency of past reform measures and the need for multidimensional interventions that combine land redistribution, targeted poverty alleviation, and rural development initiatives. Policies must address not only the quantitative aspects of land reform but also the qualitative dimensions of access, including social, gender, and caste-based barriers. In summary, landlessness in Nepal functions as both a symptom and a driver of structural inequality. Historical land tenure systems, limited policy implementation, social hierarchies, and geographic isolation collectively reproduce poverty and constrain rural mobility. Addressing rural inequality thus requires integrated approaches that link land reform with social protection, infrastructure development, and inclusive governance. By situating landlessness within the broader framework of social and economic relations, this study contributes to a deeper understanding of how rural inequality is reproduced and provides evidence for designing more equitable interventions in Nepal's agrarian landscape.

6. Conclusion and Policy Implications

Landlessness remains a central driver of rural inequality in Nepal, with historical land tenure systems, weak reform implementation, and geographic isolation concentrating poverty among landless households, particularly women, Dalits, and indigenous groups. Empirical evidence shows a clear inverse relationship between landholding size and poverty, with marginalized provinces like Sudurpashchim and Karnali most affected. Addressing this requires targeted land redistribution, secure tenure, and enforcement of reforms, complemented by rural infrastructure development, access to credit, livelihood diversification, and gender-sensitive programs. Policies must be tailored to regional

contexts to reduce structural and social inequalities. Future research could explore intergenerational landlessness, migration, and educational outcomes, as well as assess the effectiveness of ongoing reforms, to guide inclusive and sustainable rural development in Nepal.

References

- Adhikari, J., & Hobley, M. (2015). Everyone is leaving—Who will sow our fields? The effects of migration from Khotang District to the Gulf and Malaysia. *South Asia Multidisciplinary Academic Journal*, 11. <https://doi.org/10.4000/samaj.3974>
- Bennett, L. (2005). *Gender, caste, and ethnic exclusion in Nepal: Following the policy process from analysis to action*. World Bank.
- Bernstein, H. (2010). *Class dynamics of agrarian change*. Kumarian Press.
- Blaikie, P., Cameron, J., & Seddon, D. (2002). *Nepal in crisis: Growth and stagnation at the periphery*. Adroit Publishers.
- Bowen, G. A. (2009). Document analysis as a qualitative research method. *Qualitative Research Journal*, 9(2), 27–40. <https://doi.org/10.3316/QRJ0902027>
- Central Bureau of Statistics. (2021). *National population and housing census 2021*. Government of Nepal.
- Gellner, D. N. (2007). Caste, ethnicity, and inequality in Nepal. *Economic and Political Weekly*, 42(20), 1823–1828.
- Joshi, S., & Mason, D. (2007). *Land reform in Nepal: Laws, policies, and implementation*. Himal Books.
- Lawoti, M. (2005). *Towards a democratic Nepal: Inclusive political institutions for a multicultural society*. SAGE Publications.
- National Statistics Office. (2024). *Nepal living standards survey IV*. https://nepalindata.com/media/resources/items/0/b1707800524_89_pdf.pdf
- Nightingale, A. J. (2011). Bounding difference: Intersectionality and the material production of gender, caste, class, and environment in Nepal. *Geoforum*, 42(2), 153–162. <https://doi.org/10.1016/j.geoforum.2010.03.004>
- North, D. C. (1990). *Institutions, institutional change and economic performance* (p. 33). Cambridge University Press.
- Regmi, M. C. (1976). *Landownership in Nepal*. University of California Press.

- Shrestha, N. (2020). Grassroots movements and land rights in Nepal: A case study of community-led agrarian reform. *Journal of Peasant Studies*, 47(3), 567–585. <https://doi.org/10.1080/03066150.2019.1672665>
- Sugden, F. (2019). Agrarian change, structural transformation, and the persistence of rural inequality in Nepal. *World Development*, 123, 104610. <https://doi.org/10.1016/j.worlddev.2019.104610>
- Sugden, F., Seddon, D., & Nepali, P. (2016). Understanding the land issues and agrarian reform in post-conflict Nepal. *New Angle: Nepal Journal of Social Science and Public Policy*, 4(1), 1–17. https://www.researchgate.net/publication/324840594_Understanding_the_Land_Issues_and_Agrarian_Reform_in_Post_Conflict_Nepal
- Upreti, B. R. (1994). *Land reform in Nepal: Problems and prospects*. Nirala Publications.
- World Bank. (2023). *Nepal poverty assessment 2023: Challenges and opportunities for inclusive growth*. World Bank Group.

~O~

