



Nepal's Land Struggles: From Feudalism to Neoliberalism

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For generations, Nepal's land question has been the central pillar of its political and economic landscape. The struggle for land is a struggle for justice, and its history is a testament to the persistent contradiction between the promises of reform and the reality of elite capture. One of the reasons for the recent Gen Z revolt in Nepal is also the lack of access and control of youths and the working class to the resources, which has degraded the agricultural environment and resulted in heavy emigration, while employment opportunities within the country are limited. While the solution is scientific land reform, there are also false solutions proposed in the name of 'Land Bank', Foreign Direct investment in agriculture, and contract farming. The recent amendment of the Land Act (2025) is also the continuation of the commodification of land rather than protecting arable land and guaranteeing producers access to land.



Feudal Roots and Ineffective Reforms

Before the 1950s, feudal land ownership existed in Nepal. Land was concentrated in the hands of the Monarchy, Rana rulers, the aristocratic elite, and powerful religious trusts (guthi). The vast majority of the population worked as tenants, bonded laborers (known as kamaiya), or informal sharecroppers, trapped in a cycle of poverty and exploitation.

The 1964 Land Reform Act was presented as a solution. The then King Mahendra's government promised to redistribute land by setting ownership ceilings and securing tenancy rights. However, as documented by organizations like the All Nepal Peasants' Federation (ANPFA), the reform was a bureaucratic sham. Loopholes and systemic corruption allowed landlords to evade ceilings by transferring land into multiple family members' names. The result was that a minimal amount of land was actually redistributed, leaving the fundamental structure of inequality intact. Since then, for the last 60 years, there has been no attempt at land reform.

Democracy and the Agrarian Crisis

The post-1990 period of multi-party democracy failed to deliver on promises of comprehensive land reform. This failure became a primary driver of the Maoist insurgency (1996–2006), which drew its strength from the agrarian crisis. The peasants, who had seen their hopes for reform repeatedly dashed, joined a movement that promised revolutionary land redistribution. The 2006 Comprehensive Peace Accord reflected this pressure, committing the state to “scientific land reform.”

The 2015 Constitution enshrines the rights to property, housing, and food sovereignty for marginalized groups (Constitution of Nepal, 2015, Article 51). Yet, a decade later, implementation remains a distant dream. Issues of dual ownership, insecure tenancy, and poor cadastral records persist, leaving millions of peasants without secure tenure.

Actually, after the 1990s, land commissions were formed time and again. But they tried to distribute land to a few of the cadres, while many commissions were not even able to distribute a single hectare of land. These commissions weakened the demand for land reform.

The Structural Crisis: Fragmentation, Concentration, and Grabbing

Nepal's agrarian system is now facing a dual crisis: a shrinking land base combined with persistent inequality in its ownership and control.



Shrinking Holdings and Fragmentation

According to the National Sample Census of Agriculture 2021/22, the average landholding size has fallen to 0.54 hectares, down from 0.66 hectares in 2011/12. This staggering fragmentation is further exacerbated by the average parcel size declining to a mere 0.19 hectares. This subdivision of land makes modern farming unviable, forcing youth to abandon agriculture in search of employment abroad.

Declining Arable Land

The same census reports that the total area under farming declined by 12.2% between 2011/12 and 2021/22, amounting to a loss of approximately 307,229 hectares of arable land. This is a direct consequence of unplanned urbanization, infrastructure expansion, and a significant increase in temporarily fallow land, which doubled from 2011 to 2021 as a result of labor migration and neglect.

Systemic Land Grabbing

While smallholders are struggling with fragmentation, a powerful elite continues to accumulate land through illegal means. High-profile scandals like the Giri Bandhu Tea Estate case expose systemic collusion between political figures, bureaucrats, and business elites to illegally transfer public and state-owned land into private hands. In the Giri Bandhu Tea Estate case, the Supreme Court annulled the government's decision to allow the tea estate to swap a significant area of land, citing a violation of the Land Act (Rising Nepal, 2023).

The 2025 Land Amendment and the Peril of Land Banks

The newly passed Bill to Amend Some Nepal Acts Relating to Land, 2025, has been championed by the government as a progressive measure to address land issues. However, peasant and farmer organizations, including ANPFA, argue that it is a neoliberal solution that will only exacerbate the agrarian crisis.

The amendment introduces several key provisions:

1. **Legal Cover for Land Banks:** The amendment provides a legal framework for the government to establish land banks, which will manage “idle” or fallow land. While the government claims these banks will promote collective farming and formalize land use, critics argue that this is a “technical solution to a political problem” (Via Campesina, 2024).



2. **Prohibition of Real Estate on Ceiling Land:** On paper, the amendment restricts the real estate business on land exceeding the legal ceiling. However, this is seen as a gesture that is unlikely to be effective without serious political will to enforce it.
3. **Circulation of Excess Land:** Critics are concerned that the amendment risks legitimizing past illegal land grabs by creating new categories under which public or ceiling-exceeding land can be “circulated” or leased through these land banks.

From Redistribution to Commodification

According to ANPFa and La Via Campesina, the introduction of land banks fundamentally shifts the debate from redistribution with justice to commodification and financialization.

Consequences of the Land Bank Model:

1. **Legalizing Irregularities:** If ceiling-exceeding or public lands can be circulated through land banks, past grabs and irregular allocations risk gaining legitimacy, undermining the spirit of land reform.
2. **Entrenching Inequality:** Land banks, by their very nature, favor capital-rich lessees who can afford to rent large tracts. Peasants and landless laborers, who lack capital and institutional access, will be excluded. The model prioritizes investors over those who need land for survival.
3. **Redefining “Idle Land”:** The government’s justification for land banks rests on the premise of mobilizing “idle land.” However, as many peasant advocates point out, land is often left fallow not because of choice, but due to a lack of labor, resources, or capital, stripping poor households of their rights.
4. **Centralized Control:** The amendment further centralizes land management, sidelining local governments and community bodies that are better positioned to resolve land disputes and ensure equitable access.

What Real Land Reform Should Mean

Genuine land reform must return to the constitutional mandate of justice and redistribution. A truly progressive agenda, championed by peasant movements, should include:



1. **Redistribution First:** Identify and redistribute ceiling-exceeding, guthi, and illegally acquired public land to the landless, women, Dalits, and Indigenous Peoples. Providing secure titles, not temporary leases, must be the priority.
2. **Secure Tenancy Rights:** Enact and enforce strong laws that grant sharecroppers and tenants legal ownership, protecting them from arbitrary eviction.
3. **Transparent and Decentralized Governance:** Digitize land records and make them accessible to the public, prosecute land grab scandals with equal application of the law, and empower local governments to manage land allocation.
4. **Protect Arable Land:** Enforce strict regulations on converting agricultural land for urban or commercial projects and integrate land policy with a strategy for agrarian development and food sovereignty.

Conclusion

The 2025 Land Amendment has opened the doors for the commercialization of land. It will promote agendas of land banks, representing a dangerous turn away from a half-century of struggle for land justice. It risks consolidating the very inequities that peasants and marginalized groups have resisted for decades.

Instead of a tool for justice and food sovereignty, the land bank model threatens to become an instrument of accumulation by dispossession, prioritizing market forces over the livelihoods of millions. As Nepal's history has repeatedly shown, cosmetic reforms cannot solve the agrarian question; only a commitment to redistribution, security, and justice can fulfill the constitutional promise to its people.

However, the recent bill, which was presented in the parliament, had also faced criticism. Some Members of Parliament have raised concerns that it will benefit land mafias and not the intended beneficiaries. Despite this, a bill was passed. The rapid push to pass the bill has also caused some internal conflict within the coalition. The bill aims to systematize land distribution and end irregular settlements. Political upheavals in Nepal are linked to similar reforms and projects going on in Nepal, which are not in the interest of the people of Nepal but are done as a part of neoliberal reforms for the interest of corporations and global powers.

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