
February 5th, 2016

Inheriting Land Can Limit Employment Opportunities

Contrary to theories emphasizing the importance of asset ownership for helping the rural poor out of poverty, a study by A. Niles Fernando at Harvard shows that in India, inheriting agricultural land can both restrict migration to urban areas (**-0.02% per acre**) and reduce the likelihood of taking up non-agricultural work in rural areas (**-1.8% per acre**). The effect of inheriting an additional acre is **10 times as large** (-3.4% per acre for migration; -21% per acre for non-agricultural occupation) for those born into families with relatively small landholdings (less than 3 acres). Where selling, renting, or leaving behind assets is restricted by cultural obligations — in this case, Hindu custom requires that the eldest son in the family support his parents in their old age, which often results in occupational succession — inheriting land can limit mobility for the poor (specifically first-born sons), and therefore suppress household consumption for first-born sons and those inheriting early in life.

(Source: Shackled to the Soil: The Long-Term Effects of Inherited Land on Labor Mobility and Consumption).