

# Theories of Share Tenancy System: A Critical Survey with a View to Constructing the Theory of Reciprocal Share Tenancy

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The land-tenure systems in rural Asia have been experiencing more or less changes due to land policy and rapid technological progress under population pressure. The changes have been most significant in transforming the traditional share tenancy system.

This is because some Asian countries have made efforts to abolish the traditional system, regarding it as a tenant-exploiting and economically inefficient one. But actual conditions are different from such a point of view, particularly in case of reciprocal share tenancy and this type of tenancy system is still widely observed in rural Asia. Tenant farmers sometimes even refuse to transfer it to the modern type.

Then, why is the share tenancy system preferred in many cases? This is a main theme of this paper.

We are not able to answer this problem by the analysis using existing modern economic theories. Meanwhile, it is very difficult to construct the new relevant theory at a stretch. So, at the first step, I will seek the fundamental factors to regulate the share tenancy system by reexamining economic theories of share tenancy.

I begin with an account of classical and neoclassical view. Then I go on to deal with Cheung's challenge to these views, and the critics to Cheung theory, showing what kind of factors are important in understanding the reciprocal share tenancy. I next turn attention to economic aspects of bargaining and imperfect information which have been failed to notice. Finally, I suggest the way of reconstructing the more relevant theory.