
The Evolution of Poverty and Inequality in Indian Villages

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This paper examines the evolution of poverty and inequality in rural India by reviewing longitudinal village studies. It explores the main forces of economic change—agricultural intensification, changing land relations, and occupational diversification—from a wide range of disciplinary perspectives, and it considers the roles of various institutions as conduits of change. Although most village studies support the survey-based judgment that rural poverty declined in India during the 1970s and 1980s, they find that progress has been slow and irregular and that inequalities within villages have persisted. These continued inequalities may constrain both the scope for further poverty reduction from economic growth and the impact of policy interventions.

Information on rural living conditions in India is abundant, compared with that for most other countries. Sample survey and census data, collected regularly since independence, have been used to trace the evolution of consumption levels and poverty rates, demographic and occupational trends, educational levels, and health and nutritional status. These data have been analyzed at the national as well as district levels (for recent examples, see Drèze and Sen 1995; Datt and Ravallion 1996; Drèze and Srinivasan 1996; and Sen 1996).

There is also a rich tradition of village studies in India, reflecting a wide range of disciplinary backgrounds and methodologies. These studies bring context and perspective to our understanding of Indian rural life, highlighting relationships between households and their surrounding community and illustrating the roles played by village institutions.

Although survey and census data have been widely analyzed, there have been only a few attempts to bring together the findings of the numerous village studies (but see Lipton with Longhurst 1989; Harriss-White 1992; and for comparisons of survey and village studies, Bardhan 1989 and Harriss-White 1996). This paper attempts such a review, focusing on the subset of Indian village studies that analyze change over time. Most of the studies reviewed involved at least one revisit to the village. A

few record either single, very long-term visits or projects in which the researcher made a particular effort to record change over time. The paper also draws on several studies that take a broader, regional, perspective.

There is no statistical basis for generalizing beyond the village studies reviewed. Although we examine a large number of studies, covering a wide range of locations, we do not have a random sample. The study villages were selected for various specific reasons. If they share one common characteristic, it may be that they are, on average, less remotely located than villages are in general. The data collected, moreover, are dissimilar, limiting ready comparisons. One of the challenges in undertaking our review, in fact, has been to interpret the findings of investigators using varying methodologies and wearing differently tinted spectacles. The degree to which their findings can be extrapolated to rural areas in general is thus ultimately a question of judgment and personal inclination.

Table 1 lists the 35 longitudinal village studies reviewed in this paper. The regional coverage is fairly broad, although it is clear that Tamil Nadu and, to a lesser extent, Uttar Pradesh, are the most heavily represented. Important omissions include Madhya Pradesh, Haryana, Kashmir, Himachal Pradesh, and the northeastern states. In addition, the information available for Orissa, Karnataka, and Kerala is relatively old.

Table 1. Longitudinal Village Studies Reviewed

<i>State</i>	<i>District or region</i>	<i>Name of village^a</i>	<i>Period studied</i>	<i>Author</i>
Andhra Pradesh	Mahbubnagar	Aurepalle, Dokur	1975–85	Walker and Ryan (1990)
Andhra Pradesh	Chittoor, Guntur	—	1950–88	Da Corta (1993)
Bihar	Purnea, Saharsa, Katihar	Five unnamed villages	1971–84	Rodgers (1983, 1984)
Bihar	Purnia	Majra, Barahari	1985–88	Jha (1994)
Gujarat	Bulsar	Gandevigam, Chikhligam	1962–91	Breman (1993)
Karnataka	Mysore	Wangala, Dalena	1954–70	Epstein (1973)
Karnataka	Mysore	Rampura	1948–70	Srinivas (1976)
Kerala	Aleppey, Palghat	Two unnamed villages	1976–77	Mencher (1980)
Maharashtra	Vidarbha	Olegao	1920–70	Attwood (1979)
Maharashtra	Vidarbha	Palso	1947–87	Gadre, Wahile, and Galgalikar (1987)
Maharashtra	Sholapur, Akola	Shirapur, Kalman, Kanzara, Kinkheda	1975–85	Walker and Ryan (1990)
Orissa	Phulbani	Bisipara	1950s	Bailey (1957)
Punjab	Ambala	Shahidpur	1965–78	Leaf (1983)
Rajasthan	Nagaur, Jodhpur	Two unnamed villages	1963–84	Jodha (1989)

Table 1 (continued)

<i>State</i>	<i>District or region</i>	<i>Name of village^a</i>	<i>Period studied</i>	<i>Author</i>
Tamil Nadu	Thanjavur	Kumbapettai, Kirippur	1950s–1980s	Gough (1981, 1987)
Tamil Nadu	South Arcot	Iruvelpattu	1916–81	Guhan and Mencher (1983)
Tamil Nadu	Madurai	Gokilapuram	1977–86	Ramachandran (1990); Swaminathan (1988, 1991)
Tamil Nadu	Thiruchirapalli	Rajendram, Poyyamani, North Nangavaram, Naganur, Kalladai, Peripatti	1979–80	Athreya, Djurfeldt, and Lindberg (1990)
Tamil Nadu	North Arcot	Randam	1973–84	Harriss (1991)
Tamil Nadu	North Arcot	Eleven unnamed villages	1973–84	Hazell and Ramasamy (1991)
Tamil Nadu	Coimbatore	Three unnamed villages	1981–82	Heyer (1992)
Tamil Nadu	Thiruchirapalli	Poovaloor	1987–88	Kapadia (1993)
Tamil Nadu	Tirivannamalai, Sambuvarayar	Nesal, Vinayagapuram, Veerasambanur	1973–93	Janakarajan (1996)
Uttar Pradesh	Mainpuri	Karimpur	1925–84	Wiser and Wiser (1971); Wadley and Derr (1989)
Uttar Pradesh	Moradabad	Palanpur	1957–93	Bliss and Stern (1982); Lanjouw and Stern (1998)
Uttar Pradesh	Agra	Sunari	1964–85	Fuhs (1988)
Uttar Pradesh	Aligarh	Parhil	1970–87	Saith and Tankha (1992)
Uttar Pradesh	Meerut	Walidpur, Rampur, Izarpur, Jamalpur	1963–89	Sharma and Poleman (1993)
Uttar Pradesh	Allahabad, Muzaffarnagar	Alipurjeeta, Chaukra	1964–86, 1977–86	Srivastava (1995, 1997)
West Bengal	Bardhaman, Birbhum, Purulia	Seventy-two unnamed villages	1972–86	Bhattacharya, Chattopadhyay, and Rudra (1987a, 1987b)
West Bengal	Bardhaman	Seven unnamed villages	1960s–1980s	Chattopadhyay (1992)
West Bengal	Midnapore	Fonogram, Bithigram, Keshipur	1986–88	Beck (1994)

a. In many of these studies, village names have been changed to preserve confidentiality.

Source: Authors' compilation.

We are concerned, in this review, with the evolution of material living standards in rural India. We trace not only changes in poverty or wealth but also the forces that may have governed these changes, such as agricultural intensification, changes in land relations, and occupational diversification. The first section gives a brief account of agricultural intensification and then examines land and labor—two key determinants of rural income—and the evolution of their links to living standards. The second section looks at changes in levels of poverty. Village studies support the common view that poverty has been declining in rural areas but also cite cases of clear impoverishment over time. Villagers' own perceptions of poverty are discussed in this section. The third section examines changes in inequality, the nature and degree of which are difficult to gauge from large-scale statistical data. Village studies suggest that there has been little or no decline in the economic stratification of Indian villages. The fourth section summarizes the conclusions from our review and discusses policy implications. Because relatively few village studies set out explicitly to evaluate policy, they offer little guidance for the design of specific interventions. An important lesson that emerges from our review, however, is that inequality at the village level can significantly affect the way policies operate in practice.

The Sources of Income

In most of India's half million or so villages, agriculture remains central to the local economy. The intensification of agriculture that began with the green revolution during the 1960s—the introduction of new fertilizers and seeds and expanded application of existing inputs, such as irrigation and labor—has had a profound impact in many parts of the country (Griffin 1979; Lipton and Longhurst 1989; Singh 1990; Hazell and Ramasamy 1991). The degree to which agricultural practices have changed has varied markedly by region and agroclimatic zone, but few rural areas have remained unaffected.

During the early years of the green revolution, there was much debate about its distributional impact. Many observers thought it could lead to rising income inequality. They reasoned that large farmers, with lower risk aversion and better access to credit, would make more extensive use of the new technologies and that the greater economies of scale in the new farming methods would enable them to increase their agricultural income far more than small farmers could, thus widening the income gap between the two groups. It was further suggested that inequality in land ownership, and even landlessness, would increase as the early beneficiaries of the green revolution, the large farmers, bought land from smaller farmers. We consider below the extent to which village studies support these concerns.

Agricultural Intensification

Virtually all of the studies surveyed find some expansion of agricultural production since the late 1950s. In Palanpur, Uttar Pradesh, productivity improved significantly between 1957–58 and 1993, and particularly after the mid-1960s. Output per acre of wheat, the main food crop in Palanpur, increased by about four times during the period, an annualized per capita growth rate of about 2 percent (Bliss, Lanjouw, and Stern 1998; see also Saith and Tankha 1992, for another village in Uttar Pradesh, and Leaf 1983, for Punjab). Although the most significant growth in output is seen in the northern states of Haryana, Punjab, and western Uttar Pradesh, substantial growth occurred elsewhere as well (for Tamil Nadu, see Gough 1981; Guhan and Mencher 1983; Athreya, Djurfeldt, and Lindberg 1990; Ramachandran 1990; Harriss 1991; and Hazell and Ramasamy 1991). Even some of the semi-arid regions in the ICRISAT studies—Mahbubnagar, in Andhra Pradesh, and Sholapur and Akola, in Maharashtra—showed increasing agricultural intensification between 1975–76 and 1983–84 (see Walker and Ryan 1990, for a review of these remarkable studies sponsored by the International Crop Research Institute for the Semi-Arid Tropics).

Irrigation, which permits multiple cropping and a shift to high-value crops, appears to have made the greatest contribution to agricultural intensification. Saith and Tankha (1992) note that in Parhil, Uttar Pradesh, farmers began harvesting three crops a year by 1987 and that high-value crops such as vegetables had replaced mixed crops. In Palanpur, where virtually all cultivated land was irrigated by the early 1980s, mixed crops and coarse cereals yielded to wheat, rice, and sugarcane (Bliss, Lanjouw, and Stern 1998). Similarly, in Iruvelpattu, Tamil Nadu, villagers were harvesting three crops a year by the early 1980s, including two paddy crops (Guhan and Mencher 1983).

Although relatively few studies explicitly compare output per hectare and farm size, those that do find little evidence of economies of scale. In Palanpur, output per hectare was found to be unrelated to farm size in any of the survey years (Bliss, Lanjouw, and Stern 1998), and in North Arcot district, Tamil Nadu, the new technologies appear to have been broadly “scale-neutral” (Hazell and Ramasamy 1991).

Land Ownership and Tenancy Relations

INCIDENCE OF LANDLESSNESS. Statistical evidence on trends in landlessness in rural India is scant and sometimes inconsistent (see Raj 1976). The number of village studies showing a drop in landlessness, however, is surprising in light of the popular presumption that agricultural intensification has caused it to rise.

Moreover, village studies suggest that impoverishment is only one of the causes of landlessness. Others include changes in household structure, population growth,

migration, and occupational change. Thus, increased landlessness, even where it is observed, need not be associated with worsening economic conditions.

Rodgers (1983) reports net losses in land owned and sharecropped in 46 small and marginal farming households in northeast Bihar between 1971 and 1981. Yet landholdings and local wages were not the sole determinants of household incomes, which actually rose slightly over the period. This was in part attributable to the growth in remittances from family members in Assam. In such cases, a "decline" into landlessness might indicate that households can afford to withdraw from agriculture altogether and might therefore imply an improvement in living standards.

Attwood (1979), using retrospective data for a village in Maharashtra's famine tract, finds that the proportion of landless households increased between 1920 and 1970 but that this increase was caused mainly by in-migration. The availability of nonfarm employment in the local cooperative sugar factory made it possible for these landless immigrants to enjoy a living standard comparable to that of the landed population.

Drèze, Lanjouw, and Sharma (1998) show that landlessness in Palanpur was about 14 percent between 1957–58 and 1974–75, rose to 23 percent by 1993, and fluctuated considerably over time across households. Very few households became landless because the land was sold, however. More commonly, this occurred when sons left their father's household before his death, prior to inheriting their share of the land. Much of the movement *out* of landlessness in Palanpur then occurred when these sons subsequently acquired their inheritance. In Gokilapuram, Tamil Nadu, Swaminathan (1991) notes high immobility in land ownership at either end of the landholding scale. Once a household is landless, it tends to remain so, but in between the extremes, and particularly among holders of 2.5 to 5 acres of land, there is considerable upward and downward mobility.

In the ICRISAT villages described by Walker and Ryan (1990), the general trend from 1950 to 1982 has been toward decreased landlessness in areas of reliable rainfall, increased equality of landholdings, and a decline in average farm size (see also Gadre, Wahile, and Galgalikar 1987). Athreya, Djurfeldt, and Lindberg (1990) note that in Thiruchirapalli district, Tamil Nadu, smallholder cultivation increased, landlessness decreased, and inequality in landholdings declined over the last generation. In irrigated areas, the incidence of landlessness decreased from 64 to 55 percent, and the land area occupied by landholdings of 25 or more acres decreased from one-half to one-third of the total land area. In the dry areas, half of those who were landless acquired some land. In Karimpur, Uttar Pradesh, the proportion of landless families decreased from 1925 to 1975, with a further sharp drop between 1975 and 1984 (Wadley and Derr 1989). In North Arcot, Tamil Nadu, Hazell and Ramasamy (1991) find no evidence of increased loss of land by smallholders over time.

LAND TRANSACTIONS. Srinivas (1976:82) reports that in Mysore, "parting with ancestral land was a serious matter under any circumstances." The low levels of activity

in land markets in most of the villages studied suggest that this attitude may well generalize to rural India more broadly (and to other developing countries as well: see Binswanger and Rosenzweig 1986a).

In Palanpur, Drèze, Lanjouw, and Sharma (1998) find that the land market is quite inactive in the sense that sales and purchases of land occur rarely. From 1957 to 1993, the average amount of land sold in Palanpur was barely 0.5 percent a year. Analogous results are reported for Parhil (0.5 percent) by Saith and Tankha (1992), for the ICRISAT villages (0.7 percent) by Walker and Ryan (1990), and for Fonogram (less than 1 percent) by Beck (1994). Bliss, Lanjouw, and Stern (1998) suggest that typical motives for land transactions in industrial countries, such as life-cycle changes, moving to a job, and changes in perceived returns to different forms of assets, are muted in rural Indian villages. In addition, the “thinness” of the land market in villages such as Palanpur can be linked to a number of different kinds of transaction costs.

Although *inactivity* in the land market challenges the notion of rapid land polarization in rural areas, *activity* need not imply increased polarization. Harriss (1991) finds that small landowners in North Arcot district frequently added to their holdings, whereas large landowners generally sold land. In Palanpur, most of the land sold between 1957 and 1993 was sold by households of the Thakur caste, which was the dominant landowning caste in the village, but one whose traditional occupation was not cultivation (Drèze, Lanjouw, and Sharma 1998). A similar pattern of sales has been noted by Jha (1994) in Bihar.

Some active land markets do appear. Epstein (1973) reports that the conversion of dry land to wet (through canal irrigation) in rural Karnataka led to an “overnight” increase in land prices, presumably because the sudden arrival of irrigation led to a rapid change in land productivity and the expected returns to land ownership. Early land sales proved to be economically disadvantageous for the sellers, and those who had better access to credit and were less risk-averse were able to buy this land and profit in the long term.

Irrigation is often accompanied by a shift to cash crops which, although potentially lucrative and possibly less exposed to harvest fluctuations than nonirrigated crops, are vulnerable to the vagaries of the market. Booms and busts in the sugar market were a driving force behind distress sales in the Maharashtra village studied by Attwood (1979) and were an important cause of downward mobility among the largest cane growers and their creditors. In this particular case, the sales had an equalizing effect on the distribution of land ownership.

LAND LEGISLATION. Village studies suggest that land legislation directed toward limiting the size of landholdings or securing sharecroppers’ tenure has had mixed results. Most studies find that the ultimate changes induced by land legislation are not those intended by its architects.

Athreya, Djurfeldt, and Lindberg (1990) conclude that in Thiruchirapalli, land-reform legislation compelling large landlords to sell holdings resulted in a more equal distribution of land. They attribute this result to the particularly active tenants' movement in the area, combined with a high incidence of absentee landlords. The experience elsewhere in Tamil Nadu was not so positive, however. In Tanjavur district, Gough (1987) finds that land reform led to the widespread evasion of land ceilings and to the eviction of tenants. Kapadia (1993) reports a similar pattern among the Pallars in Poovloor.

In neighboring Kerala, Mencher (1980) finds that the 1970s land legislation giving permanent tenure and ownership rights to former tenants had two effects. Landlords who had failed to rid themselves of tenants prior to the legislation lost land because of it, but the only benefit most agricultural laborers gained was the permanent right to their house sites and to a tiny piece of the immediately surrounding land.

In the semi-arid ICRISAT villages, little land changed hands directly because of land-ceiling and tenancy legislation, but because the threat of confiscation was perceived as real, large farmers saw an increased risk in land accumulation (Walker and Ryan 1990). This perceived risk, coupled with the advent of irrigation, caused a shift away from the acquisition of rainfed land to investment in irrigation. Rather than evicting tenants, large farmers in the ICRISAT villages seem to have developed an aversion to long-term tenancy—a development that Walker and Ryan claim has led to more equitable access to land among prospective tenants.

In Karimpur, Uttar Pradesh, two developments changed the pattern of land distribution (Wadley and Derr 1989). The first, the Uttar Pradesh Zamindari Abolition and Land Reforms Act of 1950, combined with land ceilings to eliminate absentee land agents (zamindars) and give land ownership to the tillers and also to redistribute land from Brahmans to non-Brahmans. The results were by and large progressive. The subsequent land consolidation during 1967–70, however, although meant to regroup the holdings of small farmers, seems to have benefited richer farmers disproportionately. Drèze, Lanjouw, and Sharma (1998) note that in Palanpur, an attempt at very modest land redistribution in 1976 (six households were allotted one acre each of government-owned Palanpur land) involved considerable corruption and did not benefit the poor. A land-consolidation exercise carried out in Palanpur in 1985–86 was broadly successful in reducing land fragmentation, but influential farmers exploited their connections with the headman to get the best land.

In West Bengal, Chattopadhyay (1992) claims that land-ceiling laws had no direct impact on the village of Rajoor because no land was declared as surplus and vested with the government for redistribution. He finds, however, two important indirect effects. First, large joint families, in an attempt to evade the land ceilings, separated into smaller proprietary units, an action that led to fragmentation of large families and the erosion of their dominance in village politics. Second, as

observed elsewhere, the land-ceiling legislation led to the large-scale eviction of tenants.

TENANCY ARRANGEMENTS. Village studies provide ample evidence of the resilience of tenancy as an institution. They point to three broad developments over time: a move from sharecropping to fixed-rent contracts, including agreements for payment in kind (which might be misconstrued as sharecropping); a greater involvement by landlords in cost-sharing and in the supervision of day-to-day operations; and an emergence of “reverse tenancy,” that is, the leasing of land by larger landholders from smaller landholders.

In Palanpur, the tenancy market, which is very active, has several notable features. First, with the exception of the poor, who may be more excluded than in the past, both tenants and landlords appear remarkably similar on average and are widely distributed along the scales of per capita income, land ownership, and caste status. Second, there is considerable turnover each year, with landlords and tenants resorting themselves and sometimes changing roles (Drèze and Sharma, 1996).

The evolution of tenancy contracts in Palanpur has been closely associated with the importance of nonlabor inputs (irrigation, fertilizers, seeds) accompanying the intensification and increased market orientation of agriculture. Cost-sharing of inputs, which has become more common in sharecropping contracts, has led to a reduction in economic differentiation between landlords and tenants, as poor households lose the ability to contribute their share of the cultivation costs. A similar trend is noted in Tamil Nadu by Ramachandran (1990) and in Uttar Pradesh by Srivastava (1995). Furthermore, ownership of indivisible productive assets such as pumpsets or tractors induces some of the larger landowners to lease-in land, giving rise to the phenomenon of reverse tenancy (Walker and Ryan, 1990; Janakarajan, 1996). The emergence of tenants who are less risk-averse and credit-constrained than in the past also explains the shift away from sharecropping contracts to fixed-rent tenancy contracts in Palanpur.

Occupational Change

DECLINE OF TRADITIONAL LABOR SERVICES. Many village studies observe a decline in traditional caste occupations. Wadley and Derr (1989) note that the Hindu *jajmani* system, in which customary payments are received in return for regular service to a patron, became virtually extinct in Karimpur, Uttar Pradesh, between 1925 and 1984. They attribute the loss of demand for these services to three main factors: behavioral change, technological change and mechanization, and increased monetization of transactions.

Athreya, Djurfeldt, and Lindberg (1990) comment on the extinction of some services and increased casualization of others in Tamil Nadu. They report that even

those traditional artisans who continue to be regulated by the old jajmani system often earn cash from some customers and work as agricultural wage laborers. Leaf (1983) finds that, in Ludhiana, Punjab, most harijans, who were formerly weavers, are now full-time agricultural workers. Some traditional occupations, however, such as carpentry, continue to be in strong demand (Drèze, Lanjouw, and Sharma 1998).

Ramachandran (1990) points out that barriers to employment in agriculture are negligible. In Gokilapuram, Tamil Nadu, two-thirds of the service-caste members have moved out of their traditional activities into agriculture. Indeed, agricultural labor has become the most caste-heterogeneous activity in the village.

THE CASUALIZATION OF LABOR CONTRACTS. Village studies also note a decline in traditional farm-labor arrangements. Long-term relationships between employers and laborers have declined in favor of casual, nonpersonalized, contracts, and the subcontracting of specific cultivation tasks to labor “gangs” has increased.

Decline is not the same as demise, however. In some cases, the traditional farm-servant arrangement has been replaced by the “right of first call,” whereby workers first check at their patron’s house to see if their services are needed before seeking employment elsewhere. For Ramachandran (1990), the right of first call remains a manifestation of “unfreedom” for agricultural laborers. Epstein (1973), however, recounts that casual farm workers in unirrigated Dalena expressed envy at the continuation of the permanent farm-servant institution, however “unfree,” in neighboring Wangala.

In Thanjavur, Tamil Nadu, Gough (1987) observes a movement over time away from in-kind payments. In the 1950s, attached laborers were generally given clothing, life-cycle-rites goods, and a plot of land; in the 1980s, they were given no land and received more of their income in cash. Walker and Ryan (1990) find a similar decline of in-kind payments to farm servants in several of the ICRISAT villages. Only in Sholapur, which is drought-prone and characterized by high income variability, is payment in kind still important.

The increase in casualized labor contracts and cash payments suggests that wages may reflect valuable distributional information. Because agricultural daily-wage rates are remarkably uniform for all laborers (of the same gender) within a village, wage trends should show whether laborers’ incomes are rising over time—assuming no offsetting changes in days of employment (Drèze and Mukherjee 1989; Datt 1996).

Two additional trends are observed in village studies. First, permanent servants are being replaced by gang (often migrant) labor, and second, piece-rate contracts have increased over time. Indeed, gang labor, in which job payment is shared among members of the gang, is a collective piece-rate system. Breman (1993) claims that the movement after World War II from cane cultivation (which is highly labor intensive) to fruit tree cultivation (which requires hired labor only during the picking

season) was the primary cause for the expansion of gang labor in Gujarat. Athreya, Djurfeldt, and Lindberg (1990) find that in Thiruchirapalli, Tamil Nadu, contract gang labor has been gradually replacing wage labor, even for labor-intensive crops. Leaf (1983) notes that in Punjab, the green revolution has led to a marked rise in "periodic labor needs," which has been met by an increased use of gang labor (see also Desai 1983, and Saith and Tankha 1992).

Drèze and Sharma (1996) note that in Palanpur, farmers have a clear view of the respective merits of piece-rate and daily-wage contracts. Piece-rate contracts dispense with the need for close supervision and encourage a timely completion of tasks. They are well suited to activities such as harvesting but may be less appropriate for tasks requiring quality control. They may also be appealing to highly productive workers, who can raise their earnings above the daily-wage rate through piece-rate work, as well as to the least productive workers, who may be excluded from the daily-wage labor market (Baland, Drèze, and Leruth 1996).

EXPANSION OF NONAGRICULTURAL EMPLOYMENT. Discussions of occupational change in village India tend to concentrate on the decline of traditional labor services. This trend is often viewed negatively, on the assumption that workers are being "pushed" out of traditional occupations. A relevant but little discussed topic is the expansion and diversification of nonagricultural employment.

Many village studies note an increase in nonagricultural employment. Wisner and Wisner (1971) mention a bus stand tea stall and new bicycle and tractor repair shops. Epstein (1973) reports on the movement of entrepreneurs in 1970 to cafés, shops, cattle-trading posts, cane crushers, and rice mills, none of which had existed in 1955. Srinivas (1976) notes investment in bus lines, and Saith and Tankha (1992) comment on band-playing as a specialty of growing importance in Parhil, Uttar Pradesh. Although these are all instances of self-employment, evidence suggests that nonagricultural wage employment has expanded even more rapidly than nonagricultural self-employment (Visaria and Basant 1994). Because these new employment opportunities tend to be caste heterogeneous, they compensate in part for the reduced market for traditional caste-specific labor services.

Nonagricultural labor-market opportunities appear to be an important means of offsetting declines or high variances in village incomes. In North Arcot, Tamil Nadu, new agricultural machinery displaced hired labor in paddy cultivation, but real-wage rates in agriculture rose (at least for some activities) as a result of increased nonagricultural employment and the consequent tightening of village labor markets (Hazell and Ramasamy 1991). In the ICRISAT villages, nonagricultural earnings became increasingly important sources of income in the 1980s, raising mean household income and dampening variability (Walker and Ryan 1990). Decreased variability, in particular, seems important in raising rural living standards.

In Palanpur, both regular and casual employment outside the village has expanded (Bliss, Lanjouw, and Stern 1998; Drèze, Lanjouw, and Sharma 1998). The demand for employment in this sector, where wage rates and work conditions are attractive relative to agricultural work, exceeds the supply of jobs available. The process through which these jobs are obtained appears to be governed by both personal connections and the ability to pay a bribe. Regular nonagricultural jobs tend to cluster in a small number of establishments where an initial employee has helped others to gain employment. Those who follow the first entrant are frequently of the same caste or are otherwise related.

The role of personal contacts and influence in job search might explain the large gaps between agricultural and regular nonagricultural wages, the low turnover of regular nonagricultural jobs, and the apparent disadvantage that persons of low social status have in competing for regular nonagricultural jobs, even given comparable skills and endowments (Unni 1997). Although the better educated, or otherwise privileged, may have more opportunities for nonagricultural employment, the poor, with lower reservation wages, have in the past been most active in pursuing nonagricultural opportunities. This appears to be changing, however; the village elites are now aggressively seeking nonagricultural employment. In Palanpur, there has been a clear shift over time in the distribution of nonagricultural earnings, with the better-off in the village acquiring an increasing share. This gradual reduction in the share for disadvantaged groups has also been observed by Leaf (1983) in the Punjab and by Wadley and Derr (1989) in western Uttar Pradesh (for which, see also Sharma and Poleman 1993 and Ranjan 1994).

AGRICULTURAL WAGES. The green revolution and the expansion of the nonfarm economy appear to have raised agricultural wages in rural India by increasing the demand for labor. Until recently, secondary data suggested that real wages in rural India showed no significant upward trend (Kurien 1980). Evidence now suggests, however, that wages did rise in most regions of India in the 1970s and 1980s (Acharya 1989; also Guhan and Mencher 1983; Leaf 1983; Harriss 1989; Ramachandran 1990)—although there is no clear trend in the 1990s (Unni 1996).

In Palanpur, real wages have risen fairly steadily since 1974–75, remaining well above the levels that prevailed in either 1957–58 or 1962–63 (Drèze, Lanjouw, and Sharma 1998). This increase is all the more dramatic when expressed in terms of wheat purchasing power. Because the relative price of wheat fell in Palanpur as production rose over time, one day of casual labor could purchase more than 8 kilograms of wheat in 1993, compared with less than 3 kilograms in 1957–58. Similarly, Hazell and Ramasamy (1991) show that, in North Arcot, agricultural earnings for landless laborers, small paddy farmers, and nonagricultural households doubled between 1974–75 and 1983–84, as large farmers withdrew from agricultural labor and employment opportunities in dairying and nonfarm activities expanded.

LABOR MIGRATION. The rise in work-related migration also affects village incomes. Using large-scale survey analysis, Kurien (1980) finds that in rural Tamil Nadu, the relatively poor seem increasingly willing to give up not only their traditional occupations, but also their places of work. Walker and Ryan (1990) observe a tightening of the labor market in Aurepalle, Andhra Pradesh, from 1974 to 1985 and a 60 percent rise in wage rates, which they attribute to temporary migration to nonagricultural jobs in Hyderabad. Saith and Tankha (1992) find that in Parhil, Uttar Pradesh, the incidence of out-migration virtually doubled.

The effects of labor migration are difficult to examine in a closed village study (but see Breman 1985; Walker and Ryan 1990; and Hazell and Ramasamy 1991). Nevertheless, village studies do note an apparent shift from low-caste, low-skilled migration to high-caste, high-skilled migration. In Karimpur, extravillage service jobs had formerly been held solely by the outcaste poor, who migrated to Calcutta to work as sweepers. By 1984, service jobs had become the “desired occupation” of wealthier Jati families (Wadley and Derr 1989). In Punjab, as well, high-caste Jats have migrated out more frequently since the green revolution than have outcaste harijans (Leaf 1983).

PROLETARIANIZATION? Evidence from secondary sources, such as the census, suggests that an increasing proportion of the rural population is working for wages. This increase has sometimes been seen as a trend toward “proletarianization” of the labor force. This term can be interpreted in (at least) two ways. It may simply describe the shift away from self-employment (mainly in agriculture) to wage labor, or it may suggest that smallholder cultivators are being pushed out of agriculture into wage labor, rather than being pulled by new employment opportunities.

Harriss (1991) argues that in North Arcot, Tamil Nadu, proletarianization is mainly a process of farming households supplementing their cultivation incomes with wages from both agricultural and nonagricultural employment. He interprets a sharp increase in the number of occupations outside of cultivation or agricultural labor between 1973 and 1984 as a process of “proletarianization without depeasantization” (Harriss, 1989; but compare Athreya, Djurfeldt, and Lindberg 1990, who describe a process of “peasantization rather than proletarianization” in Thiruchirapalli). Ramachandran (1990) also demonstrates that a rise in agricultural wage employment does not necessarily imply a withdrawal from cultivation. He finds that in Gokilapuram, Tamil Nadu, smallholders supplemented their cultivation activities with agricultural employment but did not sell their own land. He therefore suggests that the expansion of the market for hired labor has helped to preserve the institution of smallholder cultivation.

The degree to which expanded agricultural wage employment is associated with a withdrawal from cultivation seems to be closely linked both to the incidence of tenant evictions accompanying land-to-the-tiller legislation in the 1970s and to dimin-

ishing farm size caused by population pressure on the land. In Thanjavur, Tamil Nadu, the number of landless male agricultural laborers pushed out of cultivation for these reasons increased dramatically (Gough 1987). Workers have also been pulled away from farms by increased nonagricultural opportunities. Whether push or pull influences predominate across rural India varies with the particular local experience.

SOCIAL IMPLICATIONS OF OCCUPATIONAL CHANGE. Occupational change is likely to be accompanied by changes in the prevailing social order. Breman (1993:21), for instance, regards the disintegration of the jajmani system as a product of multiple factors and states that “the relationships lost their local flavor in the process of enlargement of scale. Commercialization of agriculture and continuously increasing government intervention diminished the importance of local autarky and autonomy. The drift of members of the artisan and serving castes to the urban centres, from which they began to serve the surrounding countryside, contributed to the rise of an ever-increasing number of different contacts which went beyond the village. Depending on the accessibility of the region, this development began early or late.”

The degree to which a village is linked to the market economy can significantly affect its occupational and social structure. Gough (1981), in her analysis of societal change in Thanjavur, Tamil Nadu, remarks that coastal regions, which have been more “disturbed” than their inland counterparts by external change, break more easily with traditional caste-based occupational structures. Where an area’s comparative advantage lies in agriculture, however, the traditional social order (and associated occupational structure) is less likely to change. Epstein (1973) describes a similar process in Karnataka. One of the villages studied, Wangala, was served by a recently constructed irrigation canal; the other, Dalena, was not. Irrigation in Wangala enabled farmers to grow cash crops, but because the village’s economy remained almost wholly agricultural, the new cash economy coexisted with the traditional system of hereditary relationships between Wangala farmers and their “functionaries.” The system was, in fact, reinforced by the introduction of labor-intensive cash crops. In neighboring, unirrigated, Dalena, economic diversification led to increased factionalism. Agriculture no longer bound the villagers together, and greater integration into the rural economy led Dalena commuters into the wider world, where differentiation along caste lines and other social institutions were diluted.

Poverty and Living Standards

General Trends

Although aggregate economic statistics in India point to a steady (albeit slow) decline in poverty, absolute levels of deprivation remain high. Few village studies track

absolute poverty, measured in terms of consumption or income. They generally scrutinize, instead, the positions of households relative to one another. Beck (1994) thus argues that poverty rose in three West Bengal villages during the late 1980s, even though the incomes of the poorest households increased. His judgment, reflecting the perceptions of villagers themselves, is based on the observation that the rich in these villages enjoyed significantly larger increases in income than the poor did during the same period.

Village studies that do focus on absolute poverty also observe a decline. In Palanpur, the proportion of the population below any reasonable poverty line clearly decreased between 1957–58 and 1983–84, although poverty rates fluctuated markedly throughout the period, and households moved in and out of poverty in response to price changes, harvest levels, and the partitioning of household lands (Drèze, Lanjouw, and Sharma 1998). In any given year, however, irrespective of the overall level of poverty, households of the low-ranked Jatab caste, and households relying primarily on casual agricultural work for income, were disproportionately represented among the poor. This relatively high and constant risk of poverty among agricultural laborers and low-caste households is stressed in many village studies (Mencher 1980; Rodgers 1983; Ramachandran 1990; Jha 1994). Drèze, Lanjouw, and Sharma (1998) argue that because agricultural wage labor is seen as a last resort by Palanpur villagers, it is a reliable indicator of poverty in any year.

Walker and Ryan (1990) find that two-thirds of the villagers in the ICRISAT studies moved in or out of poverty in at least one of the nine consecutive years between 1975–76 and 1983–84. These were nearly all middle-size cultivators. The nonpoor—those who never crossed the poverty line—were more educated, did not actively participate in the casual labor market, and owned more land than their neighbors. The consistently poor were predominantly landless harijans with high dependency ratios.

Village studies recording income levels for more than two years are rare. The more usual comparisons of income across two periods, corresponding to an initial study and a revisit, are vulnerable to the effects of harvest fluctuations. Where comparisons of income are handicapped in this way, however, other indicators may be scrutinized to assess changes in longer-term living standards. Jodha (1989), using the more “conventional” per capita income measure, finds that 20 percent of the households in his two Rajasthani villages were poorer in 1982–84 than in 1964–65 (although he does recognize that crop yields were better on average in 1964–65). The proportion of households below the poverty line increased from 18 to 23 percent, with both upward and downward mobility across the poverty line. Households that appear to have become poorer according to the income measure did seem to be better off, however, when judged by other, qualitative, indicators of economic well-being. Jodha points to expanded alternatives for employment and borrowing, to an increase in consumption activities with high income

elasticities (travel, slack-season purchases), and to investment in lumpy consumer durables (pukka houses and structures).

Increased ownership of consumer durables has been observed in many village studies. Leaf (1983), for example, finds that in rural Punjab, a substantial improvement in housing and shelter accompanied the green revolution. Bhattacharya, Chattopadhyay, and Rudra (1987a) note that in rural West Bengal, ownership of nontraditional items such as radios, wristwatches, and bicycles increased considerably between 1972–74 and 1985–86. Although such increases have been widely interpreted to imply an improvement in living standards, it is important to note that expanded ownership of “modern” consumer durables (the increase most often cited) is in part a relative-price effect. In Palanpur, for example, modern consumer durables have become cheaper relative to livestock and have increasingly been substituted for livestock in dowries (Drèze, Lanjouw, and Sharma 1998). Similarly, an increased consumption of goat meat in Punjab can be attributed both to an improvement in general welfare and to the pumpset revolution, which led to a shift from owning draft animals to maintaining livestock for food and marketing purposes (Leaf 1983).

Instances of Impoverishment

Although both large-scale surveys and village studies find a general drop in poverty after the 1960s, there are pockets where poverty has increased. These instances of impoverishment are worth scrutinizing.

Rapid population growth, which can offset rising productivity and reduce per capita income, is one factor that can cause impoverishment. Village studies note that growth in the agricultural labor force may follow land-augmenting technological change, particularly when such change induces in-migration of landless laboring households. Ramachandran (1990) observes a decline in wage rates in Gokilapuram between 1948 and 1975, which he attributes to a sharp growth in the relative and absolute size of the agricultural labor force in the Cumbum valley. Walker and Ryan (1990) find that in Kanzara, the influx of landless laboring households from neighboring areas has kept wages low, despite the increased demand for agricultural labor. Where there are factors pushing smallholders into landlessness and agricultural labor, the need for offsetting “pull” factors becomes paramount. As Jha (1994) observes, “push” sometimes dominates. Population growth, tenant eviction, and declining migration opportunities in Bihar have led to a decrease in employment days per worker and to stagnating incomes for daily-wage and attached laborers.

Many parts of rural India, moreover, are vulnerable to drought, and drought can devastate the poor. Hazell and Ramasamy (1991) show that in North Arcot, Tamil Nadu, average incomes in 1982–83 (a severe drought year) were lower than in 1973–74 for all agriculturally dependent households. Many households in North Arcot had no financial reserves with which to cope with droughts, particularly when low

rainfall years ran together. The expansion of irrigation did not exercise a stabilizing effect in North Arcot because irrigation water comes from groundwater reserves, which depend on rainfall for their recharge. Although groundwater irrigation is a useful way of redistributing the monsoon rains in this region, it provides only limited capacity for carrying water from good to bad years. The close association between poverty and access to groundwater is explored by Bhatia (1992) for rural Gujarat and by Saith and Tankha (1992) and Drèze, Lanjouw, and Sharma (1998), who express concern that unregulated and expanding pumpset irrigation is depleting groundwater in the Gangetic plain.

Even against a background of generally declining poverty, certain subgroups of the population face a high risk of impoverishment through illness, accidents, or life-cycle events. Drèze (1990) notes, for example, that in most parts of India, women, who are usually younger than their husbands, face a high probability of becoming widowed during their lifetime. Whether widowhood translates into a sharp decline in their living standards depends on local inheritance laws, whether women are allowed to work for wages, and whether the widow has children (in particular, sons) who can provide support.

The Perceptions of the Poor

Income- or consumption-based measures of well-being are often suspected of failing to capture local perceptions about living standards. Village studies are particularly useful in this regard because the authors are close to their subjects. Bhattacharya, Chattopadhyay, and Rudra (1987b) find that 60 to 80 percent of the households they canvassed in rural West Bengal felt that their standard of living had improved with respect to *social consumption* (drinking water, medical care, education, roads and transport, and recreation and culture), and less than 10 percent felt it had deteriorated. More generally, Bhattacharya, Chattopadhyay, and Rudra (1987b) find that about half of the respondents felt their overall living standards had improved, while about a quarter thought they had deteriorated. The main reason for their judgments was a perceived increase or decrease in real income.

In his study in western Rajasthan, Jodha (1989) points to reduced reliance on traditional patrons as a reason for a perceived improvement in well-being. The importance attached to personal freedom and dignity is a recurrent theme, even among the very poor, and a desire to secure such freedom can be a driving force behind the acquisition of assets. Srinivas (1976:111) writes that "landownership and wealth were occasionally able to mitigate if not overcome the effects of birth in a ritually low caste. . . . No wonder then, that there was a general scramble for land . . . for it meant freedom from hunger and bondage to patron, and also self-respect." Wadley and Derr (1989) find that in Uttar Pradesh, those who perceived an improvement in their conditions spoke of it in terms of increased personal freedom rather than re-

duced hunger or poverty. Beck (1994) reports that in West Bengal, 49 out of 58 respondents claimed they valued self-respect more than food.

Some think otherwise, however. Epstein (1973) quotes a Dalena villager as saying, "you cannot eat social acceptance." Breman (1993) claims that in Gujarat, both landowners and agricultural laborers preferred long-term labor contracts. Such contracts guaranteed employment for laborers during the slack season and laborers for landowners during the peak season. That concerns about personal freedom can be something of a luxury is starkly pointed out by Mencher (1980), who warns against complacency regarding rural Kerala, where the remarkable inroads achieved in health and literacy might suggest that poverty has been eliminated. Mencher argues that the "miracle of Kerala" has not been a miracle for agricultural laborers, many of them women, who are still daily confronted with the uncertainty of how they are going to feed their children.

Inequality

Changes in inequality are closely related to the manner in which rural poverty has evolved. Understanding the distribution of living standards in village communities can therefore provide important insights for poverty-reduction initiatives. There have been many efforts to strengthen local decisionmaking power in rural India, fueled by the impression that local control will contribute to poverty reduction. The Jawahar Rozgar Yojana (JRY) employment program, for instance, introduced by the central government in 1989, relies on decentralization. The JRY scheme is implemented by village panchayats and promotes the creation of durable community assets. How much one can expect from such a scheme depends, to some extent, on how well represented the poor are in local decisionmaking. This, and factors such as village solidarity, are likely to be affected by the degree of polarization in village living standards.

Because village studies typically take the entire village population as their domain, they are better suited than large-scale surveys for studying village-level inequality. Large-scale surveys rarely sample enough households within a given village to yield reliable measures of village inequality. Moreover, because of factors such as aging, it is risky to make inferences about the evolution of inequality by following a specific sample of households surveyed over time.

Land Ownership

Village study findings on changes in land distribution challenge several common clichés. First, contrary to conventional wisdom, there seems to be considerable movement in the distribution of land, movement not necessarily linked to a highly active

land market. Second, there is no uniform trend toward increased inequality in land distribution. Whether land inequality has increased or decreased varies across the villages studied and often depends on whether the area in question is wet or dry.

Demographic change is particularly relevant to changes in land distribution. Srinivas (1976:112) writes that “while a man may have had his descendants in mind when buying land he also knew that it would be divided after his death. Big estates were more usually built up through the accident of single sons in more than one generation.” In Palanpur, demographic factors account for the bulk of observed changes in the distribution of land (Drèze, Lanjouw, and Sharma 1998). Removing the effect of household partitioning by aggregating the land ownership of each “dynasty” (defined as the union of all households descending from a particular household in the first survey year, 1957–58) reveals that inequality in per capita land distribution remained fairly constant between 1957–58 and 1993.

Swaminathan (1991), however, finds high and rising inequality in landholdings in Gokilapuram between 1977 and 1985 (despite a decline in the already lower inequality in nonland assets). Hazell and Ramasamy (1991) find no evidence of increased inequality in landholdings in North Arcot following population growth and partitioning but note that average farm size declined slightly across all quartiles between 1973 and 1983. In the ICRISAT villages, Walker and Ryan (1990) actually find increased equality in land distribution, with large landowners losing ground to small landowners in both relative and absolute terms.

The positions of smallholders and the landless appear to be relatively static. Athreya, Djurfeldt, and Lindberg (1990) report that in Thiruchirapalli, the most immobile groups in their respective areas are the landless in the wet area and those who began with very small holdings in the dry area. Similar patterns are noted by Rao (1972); Attwood (1979); Cain (1981); Caldwell, Reddy, and Caldwell (1982); Harriss (1991); and Swaminathan (1991).

Athreya, Djurfeldt, and Lindberg (1990) note that the ownership structure is often extremely polarized in wet areas but shows relative equality in dry areas. In Thiruchirapalli, this pattern has social origins: in the wet area, lower castes were traditionally not allowed to own land, whereas in the dry area, land commanded no price at all until the 1900s and is still quite cheap. Hazell and Ramasamy (1991) note that the only evidence of a mild worsening in land distribution among their Tamil Nadu villages was in Duli, which is poorly irrigated. In dry areas, rising inequality need not increase poverty because the productive value of the land is already so low.

Income and Wealth

In Palanpur, there is little evidence that the green revolution led to a marked widening in the distribution of income (Lanjouw and Stern 1998a). In fact, income inequality appears to have declined somewhat between 1957 and 1984. The sharp

expansion of irrigation during the green revolution years to farms other than the wealthiest (from 50 percent of the land in 1957–58 to 96 percent by 1974–75) had an important equalizing effect on incomes. Sharma and Poleman (1993) find a similar decline in Walidpur, in western Uttar Pradesh, between 1963–64 and 1988–89. Epstein (1973), however, notes that in Karnataka, there was a sharp concentration of income between 1957–58 and 1970. The key factor in the villages Epstein studied was access to irrigated land, and this remained highly unequal throughout the interval. Households with good land endowments became much richer, while agricultural wage earners competed with a sizable pool of migrant workers for low wages.

In Palanpur, Drèze, Lanjouw, and Sharma (1998) find both lower income inequality across the green revolution period and a nonnegligible widening in the distribution of wealth between 1962–63 and 1983–84. These findings need not be contradictory. Inequality in wealth may rise, even in the presence of an unchanged distribution of income, if the savings function is convex at low levels of income, that is, the marginal propensity to save rises with income. An equiproportionate increase in income for all households could thus easily lead to some polarization of new wealth. In Palanpur, the rise in net wealth inequality also reflects a highly uneven accumulation of liabilities to credit institutions, as well as the particular vulnerability of the poor to corrupt accounting practices within formal credit institutions (Bell and Srinivasan 1985; Bhende 1986; Binswanger and Rosenzweig 1986b; Iqbal 1988; Bouman 1989; Krishnan 1990; and Banik 1992).

Swaminathan (1988) also finds, for Gokilapuram between 1977 and 1985, an immense disparity in, and perceptible worsening of, the distribution of wealth, defined as the households' own estimation of the current value of their assets. It is worth noting, however, that although the poor in Gokilapuram become relatively worse-off, the per capita wealth of even the poorest households increased in real terms by a factor of about 2 over this eight-year interval.

Whether inequality has increased or decreased over time in rural India is, perhaps, of secondary importance to the well-documented observation that *levels* of inequality still generally remain high. Although various village studies trace alternative paths of income or wealth inequality, all have started from positions of considerable disparity in living standards. Even where inequality seems to have fallen, only a small fraction of the total has been eliminated over time.

Caste

Just as land and income distribution in rural India has changed in response to population growth, technological change, and occupational diversification, so caste relations have changed. Many studies comment on the shift in local perceptions of, and attitudes toward, caste-based social rankings. Drèze, Lanjouw, and Sharma (1998) point out that in Palanpur, people of all castes can now sit together on the same

string cots (charpai), and the dominant Thakurs can no longer exercise arbitrary force over the lowest-ranked Jatabs.

The disappearance of many traditional occupations has inevitably undermined the differentiation of castes by behavior and associations. Walker and Ryan (1990) ascribe the erosion of the caste hierarchy in the ICRISAT villages to the tendency of traditional service-related castes to supplement their livelihood with agricultural labor. Epstein (1973) also notes the role of occupational diversification. She writes that in the unirrigated village of Dalena, economic diversification diluted caste lines, whereas in irrigated Wangala, where the agrarian base remained largely intact, the all-India antiuntouchability policies were largely ignored.

The presence of upwardly mobile households clearly affects the social hierarchy in a village. In Palanpur, an ongoing rivalry has pitted the Thakurs, the highest-ranked, traditionally noncultivating and nonlaboring caste in the village, against the Muraos, a traditionally cultivating caste (Drèze, Lanjouw, and Sharma 1998). The economic status of the Muraos has risen substantially since the 1950s and has surpassed that of the Thakurs, resulting in a gradually improved social status for the Muraos and an escalating political rivalry with the Thakurs.

Caste mobility is most marked at the middle and upper ends of the caste hierarchy. Kapadia (1993) notes that in Poovloor, Tamil Nadu, the relative economic power of the Brahmans has declined. Wadley and Derr (1989) find a similar decline in Karimpur, and Fuhs (1988) observes that in Sunari, Uttar Pradesh, many Brahmans now even work as laborers for Jat farmers. Breman (1993) finds considerable upward mobility among the middle caste Kolis and Dhodias in two villages in Gujarat. Jha (1994) finds similar mobility in rural Bihar, as does Da Corta (1993) in Andhra Pradesh.

Upward mobility of low-caste households is more unusual. Drèze, Lanjouw, and Sharma (1998) find no change in the position of Jatabs in Palanpur society, where they represent about 12 percent of the village population. Jatabs have experienced slower per capita income growth than other groups, almost stagnant levels of education (100 percent female illiteracy in 1993; 88 percent male illiteracy), virtual exclusion from regular, nonagricultural, wage employment, and unaltered land endowments. This is despite their being targeted by various government programs. Guhan and Mencher (1983) find that in Iruvelpattu, Tamil Nadu, the combined effects on the harijans of economic inequality, social discrimination, and physical segregation are persistent and readily visible. Epstein (1973) paints a similar picture for Wangala and Dalena in Karnataka.

In some villages, low-caste households have improved their relative standing, through either the influence of (often external) political parties or the forum of collective action. Chattopadhyay (1992) attributes the disintegration of the structure of "dominance and subordination" of landless laborers and sharecroppers by three "big-men" families in Bardhaman district, West Bengal, to an awareness of new possibili-

ties fostered by political parties. Gough (1987) attributes the increase in real wages for farm servants in Thanjavur between 1952 and 1976 to the efforts of the communists to ensure good treatment for farm workers, as well as to the rise of labor unions. Sreekumar (1995) cites the importance of collective action in Changel, Bihar, where the consolidation of Yadavs, Noniyas, and Dhanuks, all "backward" castes, led to the break-up of the Khayasth-Brahman monopoly on village politics.

Collective action may not be easily achieved, however. Breman (1993) finds that intercaste tensions among the lower castes in his two Gujarat villages, as well as effective resistance from the higher caste Anavils, have prevented solidarity among the lower castes. Athreya, Djurfeldt, and Lindberg (1990) suggest that in Thiruchirapalli, factionalism among the *higher* castes was a key to reductions in poverty and inequality among the lower castes.

An interesting countertrend to the erosion of caste distinctions is the process called "sanskritization" by Srinivas (1966). Srinivas (p. 28) notes that "when a caste or section of a caste achieved secular power, it usually also tried to acquire the traditional symbols of high status, namely the customs, ritual, ideas, beliefs, and life-style of the locally highest castes." Upwardly mobile castes therefore often come to adhere more, rather than less, stringently to caste norms over time, but they adopt the norms of a caste that is higher than the one from which they originate.

Gender

Although women may have benefited from the general improvement of living standards, their gains have been small compared with the persistent inequalities between men and women in many parts of rural India. In some cases, their relative position has actually declined. This decline is linked in part to the process of sanskritization and the institution of dowry, and in part to the reduced participation of women in the labor force following occupational diversification and technological change.

One of the more alarming findings of village studies has been a decline in the female-male population ratio. In Karimpur, Uttar Pradesh, Wadley and Derr (1989) interpret such a decline among the Jati caste as a growing negative valuation of women linked to the rising incidence in nonagricultural employment outside the village by Jati men. Because female farm workers in Karimpur are generally not hired independently of their husbands, the Jati women now have fewer income-earning opportunities (see also Epstein 1973, for Dalena). Drèze, Lanjouw, and Sharma (1998) link a similar decline in the female-male ratio among Jatabs in Palanpur to the absence of any expansion in female labor-force participation and to a growing identification of disadvantaged castes with the patriarchal norms of privileged castes. Drèze and Sen (1995) record a decline in the female-male ratio among scheduled castes in Uttar Pradesh more generally (from 0.94 in 1901 to 0.88 in 1991).

An important aspect of sanskritization has been the shift from brideprice to dowry. In a study of rural propertied elites northeast of Coimbatore, Tamil Nadu, Heyer (1992) notes a movement from brideprice in the 1930s to dowries in the 1950s and a doubling of the real value of dowries paid from the 1950s to 1970s. Bailey (1957), Epstein (1973), and Wadley and Derr (1989) find similar trends. As Heyer (1992) explains, the growing importance of dowries has led to the redistribution of capital from households with higher daughter-son ratios to households with lower ratios. Maintaining wealth from generation to generation therefore depends on keeping the number of surviving daughters relatively small.

Summary and Policy Implications

Agricultural Production, Land, and Employment

All of the studies reviewed find that agricultural production has grown significantly during the past 20 to 30 years. The broad package of new inputs that accompanied the green revolution has had at least some impact almost everywhere in India. Irrigation, in particular, has had a profound effect.

The new technologies do not appear to have favored large farmers disproportionately. Although large farmers have better access to credit for the purchase of new inputs, the expansion of irrigation may be quite progressive if, prior to expansion, only large farmers had irrigated land.

Landlessness has not obviously increased over time and in some cases has decreased. Because increased destitution is only one possible cause of landlessness, loss of land is not necessarily a symptom of impoverishment.

In most of the villages studied, the land market was found to be relatively inactive. There were exceptions, however. In some instances, canal irrigation, which sharply and dramatically alters returns to land, led to an increase in land transactions. Even in such cases, however, the small and vulnerable farmers were not necessarily the ones losing their land. Land sales, when they occurred, often involved transfers of land from formerly well-endowed, but noncultivating, households to cultivating castes.

Land legislation has had both positive and negative effects on land distribution. The beneficial effects have usually been indirect, such as encouraging farmers to invest in new technologies, rather than to expand their landholdings. A very common response to land-to-the-tiller legislation, however, has been the eviction of tenants. This has increased both landlessness and the size of the agricultural wage-labor force.

Tenancy, where it remains, appears to be evolving along with the new cultivation practices. Many studies point to the frequency of fixed-rent contracts, the greater involvement of landlords in cost-sharing, and the phenomenon of "reverse tenancy."

This evolution of tenancy corresponds to expectations, given the increased intensity of agriculture and the spread of modern practices and technologies. The persistence of tenancy as an institution suggests that it fulfills a useful purpose—permitting the cultivation of land by those who can put it to most productive use, without requiring a full transfer of property rights.

Traditional artisanal occupations have generally declined in number and importance, but this decline has usually occurred against a background of rising real wages. As a result, although most traditional artisans have moved into manual-labor occupations, it is not clear that their living standards have declined. Daily-wage and piece-rate contracts are increasingly replacing long-term agreements. Although such casualization reduces the dependence of laborers on their employers, it can also increase their insecurity.

Rural households benefit from nonagricultural employment not only from the incomes received, but also from reduced exposure to agricultural fluctuations. These benefits have not been shared equally across households, however. Although village households without assets have not been excluded from nonagricultural employment, regular nonfarm employment appears to be linked to personal contacts, as well as to payment of bribes. These factors have probably favored the more affluent and highly ranked villagers, and evidence suggests that this group has become more active in the nonagricultural sector over time.

The expansion of nonagricultural employment opportunities has “tightened” rural agricultural labor markets and raised agricultural wages in many of the villages studied. This increase is less marked in regions where in-migration has risen sharply.

Although proletarianization has been widely observed, it is not clear how many smallholder cultivators are being pushed out of agriculture by declining returns and land polarization, and how many are being pulled away by new opportunities in the nonagricultural sector. The fact that proletarianization often occurs against a background of rising real agricultural wages suggests that pull factors may be just as important as push factors.

In villages having a strong comparative advantage in agriculture, traditional social and occupational structures have generally persisted, even in the face of dramatic changes in terms of trade or technology. In villages that are more heterogeneous economically, however, traditional occupational structures, such as caste-based trades, have become more diffuse, as villagers have acquired links with the outside world and have diversified their activities.

Poverty

Village studies point to a slow decline in rural poverty but note considerable movement in and out of poverty. Some of this movement can be attributed to fluctuations

in harvest quality and to personal calamities. Low caste status and agricultural wage labor are associated with long-term poverty.

Even where poverty does not appear to have fallen, increased ownership of consumer durables, shifts toward consumption of higher quality goods, and self-reported perceptions point to gradually improving living conditions. In addition, the rural poor often single out reduced dependence on patrons as an important improvement in their living conditions.

Although the direction of change is encouraging, poverty remains extremely high in many villages. Perhaps as important to understanding which forces have reduced poverty is the question of why poverty has fallen so slowly in the face of often dramatic growth.

Inequality

In contrast to declining poverty in rural areas, it is difficult to find reduced inequality. Although there has been considerable movement in the distribution of welfare over time, no clear trend emerges, particularly one favoring the very poor.

Land distribution in rural areas is less static than often suggested, but much of the movement may be more apparent than real. Demographic change associated with household partitioning alters the distribution of land but is not likely to reflect fundamental changes in the distribution of wealth. Even where significant changes in land distribution occur, the high degree of immobility among the landless and smallholders suggests that the relatively poor are not the primary beneficiaries. The green revolution may have improved the distribution of welfare, but the scope for improvement depends closely on local conditions.

Rural growth, and in particular the integration of the village economy into the wider rural economy, has eroded the traditional caste structure in many villages. Several studies point to a discernable breakdown in the correlation between ritual status and economic status. In many villages, the traditionally dominant, non-cultivating, caste is being overtaken economically by households of other castes, usually traditional cultivators who have taken greatest advantage of the new agricultural opportunities. This process leads, on occasion, to sanskritization, whereby high-caste practices are emulated by other upwardly mobile castes. Although such changes are significant, they do not affect the lives of all castes in the same way. The lowest castes in Indian villages often remain easily distinguishable from the rest of village society by their very low material well-being and the limited opportunities they have to improve their living standards.

In addition, there has been little evidence of improvement in gender relations. The decline in the (already extraordinarily low) female-male population ratio suggests that gender-based inequality may be increasing. Sanskritization may play a

role in this, in that women are often required to observe behaviors associated with higher castes, such as full purdah or withdrawal from wage-labor activity. The shift from brideprice to dowries and the trend toward higher dowries, moreover, further strengthen the perception among households that daughters drain family wealth.

Policy

Conspicuous by its absence from this review is an evaluation of the various public policy measures directed toward village living standards and community life. Although longitudinal village studies seem particularly well-suited to making such an assessment, most of them are silent on this issue.

Drèze, Lanjouw, and Sharma (1998) review every instance of public service provisioning in Palanpur between 1957–58 and 1993—including the building of public schooling facilities, the implementation of the Integrated Rural Development Programme and other credit programs, the JRY employment program, and the provision of widows' pensions. Their conclusion is that, except for the modest success of a program providing two water handpumps near the low-caste quarters, the programs have been extremely disappointing. A recurrent observation is that privileged individuals or groups direct the benefits of programs to themselves at the expense of other village members.

It seems worth asking whether high inequality within villages, and in particular the lack of strong village cohesion, present major obstacles to the successful implementation of policies in Indian villages. The answer could have important implications for the design of policies, especially policies that seek to avoid the recognized pitfalls of centralized delivery by exploiting the potential of decentralized mechanisms. Unless great care is taken to ensure accountability, such decentralized schemes may accomplish no more than the previous efforts.

Notes

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The authors are very grateful to Jean Drèze for guidance in the preparation of this paper, although they do not wish to implicate him for any remaining errors and omissions. They also thank four reviewers for their suggestions, as well as Harold Alderman, Zoubida Allaoua, James Fairhead, Barbara Harriss-White, Jesko Hentschel, Ravi Kanbur, Valerie Kozel, Takashi Kurusawa, Jenny Lanjouw, Michael Lipton, Lant Pritchett, Martin Ravallion, Naresh Sharma, and participants at a seminar held at Queen Elizabeth House, Oxford University, for valuable comments.

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