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**Understanding the Dynamics of Socio-Economic
Mobility: Tales from Two Indian Villages**

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Acronyms and Abbreviations

BPL	Below the Poverty Line
GC	General Caste
GDP	Gross Domestic Product
GR	Green Revolution
HYV	High Yielding Variety
IRD	Integrated Rural Development Programme
MLA	Member of the (State) Legislative Assembly
MP	Madhya Pradesh
OAP	Old Age Pension
OBC	Other Backward Castes
SC	Scheduled Caste
ST	Scheduled Tribe

Glossary of Terms

<i>Bidi</i>	Indigenous cigarette, which uses the kendu leaf instead of paper
<i>Gram Sevak</i>	Key government official from the block development office, who oversees the work of the <i>Panchayat</i>
<i>Jajmani</i>	A caste-based system of exchange whereby landlords and higher caste villagers pay service providers and labourers a regular <i>kisani</i> on a bi-annual basis following the harvest, for labour provided throughout the year. The system provides a security net for service-providers, who can draw on the support of their rich patrons in times of distress.
<i>Kisani</i>	The name given to the regular payments made between clients and patrons under the <i>jajmani</i> system of exchange (refer also to <i>jajmani</i>)
<i>Mahua</i>	A local tree which produces berries used in soft drink manufacture and brewing local alcohol
<i>Panchayat</i>	The third (local) tier of government, strengthened through the 73 rd Constitutional Amendment in 1994
<i>Patwari</i>	Government official responsible for land records and register
<i>Raja</i>	Ex-feudal king
<i>Rojgar Yojana</i>	Scheme for the educated unemployed youth
<i>Sarpanch</i>	Head of a <i>Panchayat</i> , Village Chief
<i>Singada</i>	Water chestnut – a crop cultivated on the lake for home consumption in Villanpur

Summary

Livelihoods in rural India have become increasingly linked to the wider economy. This has caused considerable changes to the wellbeing of many households, causing simultaneous movements into and out of poverty. This paper seeks to explain the reasons why some households have been able to take advantage of new economic opportunities, whilst the livelihoods of others have stagnated or declined. In particular the paper will explore the impact of increased external linkages on poverty and vulnerability. However, it is not only changes to the economy which have caused households to move into or out of poverty. Shocks, such as illness and other extraordinary expenses, put livelihoods under additional pressure. Therefore the paper also explores the nature of coping and accumulation strategies, to understand how short-term shocks and opportunities change the longer-term livelihood strategies of households.

The study takes a comparative approach by examining household livelihood mobility within two very different villages, in the same district administration of Madhya Pradesh (MP), India. Sadangarh is a multi-caste village, with significant commercial farming and non-farm sectors, excellent transport links to the district headquarters, which is half an hour away by bus, and an externally politically influential elite amongst its community members. In particular, links to external markets have significantly improved business and migration opportunities. Livelihood diversification has occurred primarily because of land redistribution policy, the implementation of modern farming techniques and cash cropping, the development of internal markets, the adaptation of traditional caste occupations and increased rural-urban linkages, in particular for trade and labour migration. However, economic integration has not benefited all. Pressures on natural resources such as common land have reduced the viability of pastoralism and the livelihoods of foragers. Additionally artisans' traditional livelihoods have come under pressure, as the tastes and preferences of the affluent have changed due to the extra income from agriculture and increased availability of cheap manufactured goods.

In contrast, Villanpur is economically and politically isolated from any major commercial centre, as a satellite village of a small town. It is comprised of a single caste group, traditionally involved in water-based activities but now almost all households are engaged in subsistence farming and local wage labour as their primary sources of income. Although the village has experienced structural change, its linkages to external markets are weaker and fewer in number. As such it has been less well positioned to take advantage of the external economy, but also less susceptible to the threats that integration can simultaneously present. Villanpur has been affected by increased outmigration and improvements to farming methods. There is no internal market for the exchange of goods and services and few direct linkages to external markets as villagers only gain cash income from wage labour. A few relatively better-off households earn additional cash income from the sale of agricultural produce, and some households are involved in goat herding and water-based activities.

There are several important themes that will be developed throughout the paper – livelihood diversification, coping and adaptation strategies, attitudes to risk, changes to agricultural production, migration and livelihood preferences of the rural poor. The paper primarily draws on detailed ethnographic evidence, from key informant interviews and participant observation, which are supplemented by work using larger samples from household surveys conducted in both villages.

Chapter 1 develops a framework within which household strategies, rural livelihoods, structural change and poverty can be analysed. Chapter 2 gives a brief overview of the methodology employed in the study, details of village selection and livelihoods of the caste groups in the villages. Chapter 3 provides an overview of the village economies, a guide to socio-economic mobility and the impact of structural change on different caste groups. Chapter 4 gives a detailed description of

different livelihood sectors and the impact of structural change on agriculture, wage labour and other livelihood sectors. Chapter 5 seeks to explain patterns of socio-economic mobility of different caste groups and activities by gender, using household case studies to illustrate important trends. Chapter 6 analyses livelihood strategies and aspirations of households, and uses case studies to explore the main coping and accumulation strategies. Chapter 7 concludes with policy implications.

1 Household Livelihood Framework

1.1 Households and household strategy analysis

1.1.1 *Defining the household unit*

The household is both a site of production and reproduction, and the basic economic decision-making unit. Although households are analysed as cohesive, independent units, they are frequently sites of conflict and competing interests between actors of different ages and gender and they are units linked co-operatively in varying degrees to other households. The definition of a household used in this study, is that of a body of people who have a shared income and asset pool. Generally this equates to a group of people who share the same living space and eat together. In this study households vary considerably in size, from single-person households to units containing up to forty-five people. Whilst this basic definition of a household is accepted, it is important to note the extent to which households pool assets and share resources. Many households operate within broader kinship networks, for example, sharing land, whilst generating private income from wage labour. In particular, it is important to note the ways in which resources are shared or divided when younger generations establish new households. Decisions to pool resources rather than to separate land for different households to manage independently, is a key determinant of livelihood success. Additionally, households include members who spend a considerable amount of time away from the homestead, but send remittances.¹ Normally, villagers who migrate stay away for between six and nine months and therefore they maintain close ties to the homestead. Permanent migration is rare and migration incomes are generally part of a strategy to improve livelihood security within the village. The income of migrants is therefore important in analysis of household livelihood activity.

1.1.2 *Household strategies*

When thinking about household strategies, it is necessary to consider the extent to which households strategise versus the extent to which the notion of strategic behaviour is created by the social scientist. Tilly (1987) emphasises the implicit nature of household strategies as guides for families and family members, thus the conscious deliberation of households may be limited. Moen and Wethington (1992:233) note the notion of a strategy is an appealing metaphor for family responses to structural barriers and stressful events. However, what denotes a stressful event and what strategies, if any, are employed in the day to day lives of rural villagers? To answer this question it is necessary to consider the ways in which household strategies are socially defined, the scale and scope of different decisions, and how these interact with long-term and short-term strategising.

Normal strategies reflect not only the rational calculations of a household, but in particular the application of pre-existent perceptions and practices. Moen and Wethington (1992:234) define strategies as actions families devise for coping with, if not overcoming the challenges of living and for achieving their goals in the face of structural barriers. Here, we emphasise the role of the community as defined primarily by sub-caste as important in determining which strategies are feasible, based on the experience of others, existing patterns of livelihood behaviour within the community and local definitions of what is socially and culturally acceptable. Additionally, the household's ascribed sub-caste group determines knowledge and expectations of different livelihoods, as well as structural access to resources. Therefore normal strategies generally reflect households behaving within the parameters set by sub-caste groups.

¹ The definition adopted is a reflection of the nature of households in rural MP. For further discussion, refer to Harris (1981) and Kabeer (1994)

In the context of the villages studied, it is important to note the role of ‘guardians’ who develop different networks to their peers and experiment with new ideas and practices. Based on the observed success of these ‘guardians’, new ideas and practices are slowly adopted by other households within sub-caste groups, and some ideas eventually even spread to other sub-caste groups. Therefore under normal circumstances, the extent to which households strategise is crucially dependent on the aspirations of the household or a particular individual within a household to change the overall level of well-being and livelihood security. The majority of households do not make significant changes to strategies on a regular basis but continue to operate within the logic of established sub-caste practice. However, ‘guardians’ are more ambitious and experiment on a regular basis to improve household wellbeing, by actively expanding opportunity sets.

When considering household adaptation strategies, defined as behaviour based on shocks, the extent to which households strategise crucially depends on the likely impact of the shock and the number of options available to the household. However, the importance of ‘larger’ conscious decision-making should not be over-emphasised. As Moser (1998:1) notes, ‘the poor are managers of complex asset portfolios’. Thus whilst most households operate within a given social order, with minimal conscious strategisation, the poor are, on a daily, seasonal or longer-term basis reconsidering the most suitable actions for production and reproduction. Livelihoods are not fixed, immutable practices, they are often *ad hoc* and households are flexible units who respond quickly to opportunities and threats, especially when considering how closely the poor live to the margins. Here it is important to note how households may take actions on an *ad hoc* basis. These strategies, if successful and sustainable, are adopted into normal patterns of activity. Small changes due to short-term crises can have positive and negative effects over the long-term. For example, the withdrawal of a child from school on a short-term basis, may lead to permanent exclusion from school, even though the household has recovered from the initial shock. Equally, migration in response to a crisis may turn into a long-term accumulation strategy.

1.1.3 Objectives of household strategies

The following section provides a brief overview of the many competing and complementary measures that have been deployed to conceptualise household decision-making to establish a framework through which rural household strategies can be analysed.

Within microeconomics, conceptualisations have ranged from utility maximising approaches (Becker, 1981), to ideas adopted from the microeconomic theory of the firm which concluded that peasants were ‘efficient but poor’ (Schultz, 1965 cited in Start and Johnson, 2004). While household economic models recognise variations in initial asset endowments, a severe limitation of the approaches is the omission of analysis of structural inequalities, which determines access to technological and production opportunities. This is especially true in Sadangarh when considering new service opportunities such as machine repair and capital investment in agriculture and cash crops. It is generally the rich who are able to finance such activities and bear the risk of such new ventures.

Peasants have long fascinated the social sciences because of their apparent ability to ‘be in the market but not of the market’ (Bernal, 1994:792). Chayanov (1966) characterises the subsistence ethic of peasant family production as one of ‘self-exploitation’, in which the peasant producer works on, for the smallest increment in production, when the shrewd capitalist would cease (cited in Scott, 1976:13). In a world dominated by the ‘bottom line’, the economics of the peasant household stand juxtaposed to the ‘amoral or immoral economy of capitalism’, as behaviour guided by located cultural norms and values. However, there is still a limited opportunity set for the most disadvantaged. As such, peasant economics has often been characterised as ‘irrational’ within

development discourse, according to capitalist principles derived from the ‘rational’ maximising principles of the market (Bernal, 1994:793).

To evaluate the subsistence ethic of production against rational market principles is less than rational in itself, adopting the economists’ metaphor. It permits the invention of hypothetical market values for commodities, to dismiss that the opportunity cost of labour may be zero, to ignore particularistic cultural and social values and belittle the insecurity which surrounds production. In contrast to profit and income, in a study of agriculture in Bengal, peasants emphasise the holy and symbolic nature of paddy cultivation and the art of subsistence, which gives people a sense of independence and mastery (Greenlough, 1983). Similarly, the sanctity of production and independence is also revered amongst the different caste members in the villages of Madhya Pradesh, especially in agriculture and animal husbandry. Traditional economic approaches neglect cultural factors and individual preferences for certain types of activities that are based on non-market valuations.

In contrast, more recent approaches have sought to bring a stronger human and social element to theorising, to incorporate structural and institutional factors into decision-making. One such approach developed by Sen (1981) attempts to explain how households transform limited endowments into commodities. Central to analysis is not the production of use values or income but the ‘entitlement that each person enjoys: the commodities over which she can establish her ownership and command’ (Sen, 1999:162), through production, exchange or the exercise of moral claims. Although the entitlement approach was developed as a tool in the analysis of food insecurity, entitlements will alter significantly in times of extreme distress, as agricultural failure affects all members of society directly or indirectly.

The entitlement approach has also been incorporated syncretically into asset/livelihood approaches, to make way for a multidisciplinary approach to livelihood analysis. ‘A livelihood comprises the capabilities, assets (including both material and social resources) and activities required to make a living... and to cope with and recover from shocks and stresses’ (Chambers and Conway, 1992:5). The approach is useful because it highlights inter-temporal linkages between consumption and production decisions, which is useful to understand coping strategies and longer-term sustainability. It also incorporates a comprehensive definition of capital, to include human, natural, financial, social and physical.

In this paper, analysis of livelihoods will use more traditional economic measures of incomes and assets as a starting point. However, the study primarily draws on complex micro-level evidence, which takes into account tangible and intangible assets, preferences and entitlements to examine how these feed into short-term and longer-term strategising.

1.1.4 Social capital

Of particular importance is the role of social capital, which influences the ability of households to cope and adapt, under changing circumstances. Of particular note are good relationships with moneylenders when investing, government officials when applying for jobs or benefits and other caste members when coping with a shock or hearing about new employment opportunities. Social capital refers broadly to investments in social relations amongst kin, patron or wider community, or as Bourdieu, (1993:32) postulated, what ‘ordinary language calls connections’. Social capital does not fit neatly with neo-classical notions of rationality, because it involves the investment of time, effort and resources away from the immediate acquisition of concrete goods. However the ‘fund of duties, debts, claims and obligations built up in the investments in social relationships, can be converted into material resources in times of need’ (Kabeer, 2000:44).

The acquisition of social capital is not only an insurance measure but it also can lead to the enhancement of human capability. Traditionally, definitions of capability have focused on health, education and productive attributes such as skills, information and knowledge (Start and Johnson, 2004). However, an important dimension of capability development is the enhancement of confidence and experience more generally, which can translate into the capability for negotiation and participation in political processes and rights claims, turning people into agents of social change (Sen, 1999). In the context of this research, this is particularly relevant to the Scheduled Tribe (ST) Adivasi community and the Scheduled Caste (SC) Ahirwar community in Sadangarh, who migrated outside the village and were thence more successful than other low caste groups at exerting their claims to land, under the land-ceiling act.

Thinking beyond entitlements and capability, social capital is those features of social organisation, such as networks of individuals or households and the associated norms and values that create externalities for the community as a whole (Grootaert and van Bastelaer, 2002). Such an approach is particularly important in isolated environments, where social networks are the primary conduits for the exchange of ideas and information. One example is from the Other Backward Caste (OBC) Sahu community, who migrate out every year to work in the ice cream business in the agricultural lean season. This livelihood was introduced to the village by one individual over thirty years ago, yet it now significantly affects the whole community and beyond.

Social capital varies significantly between both villages. In Villanpur, there is still a very strong sense of community, of co-operation between households, which is a natural functioning rather than an accumulation strategy, to build support in times of distress. However, in Sadangarh, people do consciously network more, although a significant amount of networking happens outside the village, to find out about job opportunities and to stay in touch with government officials. Within Sandangarh, the acquisition of social capital is more important for economic opportunities rather than insurance. However, villagers will make an effort to maintain favourable relations with moneylenders and other influential individuals. Little crisis insurance exists from patrons or moneylenders for the poorest villagers. Community ties still exist between members of the same sub-caste group, but bonds are weaker in comparison to the less developed Villanpur.

1.2 Analysis of poverty strategies

Poverty is essentially a social relationship, based on 'inequality, marginalisation and disempowerment' (Gardner and Lewis, 1996:25). As such, poverty is not only a lack of basic requirements, assets or capabilities, it is also a defining position within a social structure. Given the nature of poverty as a fairly static concept, vulnerability has been used to capture change as 'people move in and out of poverty' (Lipton and Maxwell, 1992; cited in Moser, 1998:3). Vulnerability reflects the sensitivity of households to hazards (Blaikie and Brookfield, 1987; cited in Moser, 1998). Within the villages, all households are exposed to similar hazards, such as crop failure and ill health, but the poor are more vulnerable. As such, disaster is more likely to strike the poorest and its impact invariably is more profound. Variations in the performance of poor households in times of distress depend primarily on the assets and capabilities of the household, i.e. their position more generally within the given socio-economic hierarchy and the temporal spacing of shocks.

Chambers (1992:314) sets out a three-stage context in which households strategise, namely 'desperation, vulnerability and independence'. In each different state, different objectives are prioritised according to various needs. In a period of desperation, where the aim is survival, the poor resort to casual labour, the use of common property, seasonal migration and borrowing from patrons. In both villages, the poorest are resorting to casual labour and seasonal migration. However, there are few incidences of people selling their property or the exercise of moral claims against patrons.

In the second state of vulnerability, security is the aim, achieved by acquiring and developing assets, mortgaging and taking debts. In reality, most people accumulate first before investing and therefore those who are investing can afford the extra expenditure. Chamber's description implies that people have to take risks to develop assets. However, the existence of strong networks, means that risks are reduced, in particular when migrating to Delhi. It is only after households have accumulated that households invest in irrigation and agriculture, once their security has been secured. In contrast in Villanpur, due to reduced information, limited migration patterns and general lack of knowledge about life outside the village or new livelihood options, any accumulation strategies imply a greater degree of risk.

A final stage is described as independence, where the aim is self-respect. In such a state the poor detach themselves from client relationships, pay off debts, save and buy or build their own assets. However the majority of households, whether rich or poor, are heavily indebted in both villages. Wealthier households with more livelihood security are the most indebted, due to higher levels of investment, particularly in capital equipment. Therefore the link between indebtedness and income is generally progressive.

The stages of desperation and vulnerability are synonymous with coping strategies,² when action is taken to survive within the prevailing rules system (Gore, 1992; cited in Davies, 1993), whilst adaptation is characterised by a change in livelihood system or the moral economy (Davies, 1993). It is important to note that adaptation does not necessarily mean that there is a fundamental alteration to the system, but that households have the capacity to assert agency by opting out of, or directly challenging the prevailing system.

Although a coping/adaptation approach is useful in outlining different needs and priorities, it leads to a fragmented approach to livelihood strategies, which ignores the fact that coping and accumulation strategies are often employed simultaneously. It also implies that objectives for different stages may conflict. For example, in times of extreme distress, priority is given to the maintenance of assets above all else and thus the reduction of food is one of the most common coping strategies employed (Davies, 1993). Food consumption may be modified by households in different economic circumstances, thus coping and accumulation strategies are played out simultaneously. It also overplays the economic status of households in determining livelihood strategies. People do not give dowries in proportion to their economic circumstances. Women from certain caste groups will not work outside the home, because this is stigmatised and sanctioned by the local community, and livelihood options are not based on the most profitable options. Cultural values often take precedence over economic ones.

1.2.1 Poverty, time preferences and the Faustian bargain

Recent approaches to the analysis of poverty have focused on the chronic nature of poverty experienced by the majority of the world's poor. This relates to the duration, severity and multi-dimensional nature of deprivation (Shah, 2003). Applied to the condition of the chronic poor, the Faustian bargain asserts that 'poor men and women are dominated by *dysfunctional* time preference behaviour, in which the pursuit of immediately needed security places them in relationships and structures which then displace the longer term prospects of a sustained improvement in their livelihoods' (Wood, 2003:456, author's emphasis).

In the vast literature on poverty, little attention is paid to the classification of the poor in terms of their capacity for social action, which is necessary for the eradication of poverty, where poverty is defined to include structural inequality (Wood, 2003). Wood asserts that many people choose

² For a good review of the concept of coping strategies, refer to Davies (1993).

‘dependent security’ as their only survival option, due to the idiosyncratic nature of poverty, brought for example by illness or old age. However, he continues by arguing that the socially inherent characteristic of most poverty requires the same formulation from the general population of chronic poor, ‘which involves the acceptance of truncated notions of self-improvement and advancement in order to secure basic welfare’. As such, ‘staying secure’ is synonymous with ‘staying poor’ or the Faustian bargain (Wood, 2003:458). Whilst risk aversion is seen as a barrier to longer-term security, as emphasised by Wood, it is one of many factors which influences livelihood strategies. Some trade offs do exist between the short and long term, but the majority of households proactively choose which type of strategy to follow, based on non-market valuations of options.

The Faustian bargain implies that people actively choose dependency and a coping level of poverty. Whilst accepting that some people choose a coping level of poverty, by prioritising many different factors such as being close to friends and family and the nature of working conditions or pride, few choose a permanent state of dependency, as a security blanket. Emergency funds from moneylenders may provide necessary funds to treat very sick relatives, but the repayment of loans can also be constricting, and lead to dependency and exploitative relationships. This type of relief is generally avoided. Equally, moneylenders do not wish to enter into such relationships with clients, and will provide emergency funds to the poorest, under pressure from community members and their consciences. In the case of migrant workers, although poor, agency is asserted especially in times of need. Many workers prefer to fend for themselves in the outside world, rather than suffering the humiliation that a heavy debt burden and resultant dependency within the village can bring. If migrant workers need emergency money, it is preferable to accept loans from urban patrons.

1.3 Rural livelihoods and structural change

The opening up of the village economy has irrevocably altered rural livelihoods in village India. Structural change, broadly defined, is the impact of exogenous factors, which have caused alterations in livelihood and consumption patterns. Structural change has occurred primarily due to the expansion of the village economy and its increased linkages to the external economy, which at a macro level, has led to a dialectic of growth and further linkages. Traditionally, village economies have been shielded from fluctuations in external markets and therefore instability is an inevitable result of agrarian life in an unfavourable climate, with sporadic rainfall and steady increases in population size relative to arable land. The three main sources of exogenous structural change, which have had most impact on the village economies studied, are the increased penetration of the free market and subsequent erosion of morally based modes of exchange and the influx of consumer goods; government intervention, in particular land reform; and technology, particularly in agriculture. The other notable source of livelihood change has been an increase in the population as resources are continually sub-divided between generations.

Structural change has opened up previously economically isolated villages, in a project of modernisation, presenting agents with increased opportunities, within the village and outside, through migration, cash cropping and improved farming techniques. Simultaneously it increases potential vulnerability, through increased competition, increased capital investments, dependence on the sale of goods with fluctuating market prices, increased dowries and changes to the moral economy. Structural change can therefore exacerbate the poverty gap, whilst additionally providing a route to economic emancipation.

1.3.1 *Changing terms of trade*

In village India, links to the external and global economy have irrevocably altered the internal relations of production and consumption, leading to the disintegration of the *jajmani* system. Breman notes how relationships have ‘lost their local flavour in the process of enlargement of scale. Commercialisation of agriculture and continuously increasing government intervention diminished the importance of local autarky and autonomy’ (Breman, 1993:21). The expansion of the village economy in MP has provided villagers with more freedom to choose how to gain livelihood security. Whilst some households have chosen a more autonomous route to livelihood security, others have chosen to maintain closer links to political and economic elites in the village. However, those who have maintained links to influential village members are already at an economic advantage, in terms of productive assets and capability as well as social capital from their associations. The nature of access to resources such as new ideas, government assistance, credit markets etc. is still particularistic. Therefore, a more objective picture of the resource allocation in the village economy, assumed to be synonymous with the ‘logic of the market’ does not explain livelihood strategies or trajectories.

Generally, there has been a reduction in local social security mechanisms or crisis insurance. The change to business transactions has increased competition amongst service providers, whereas income was previously guaranteed for a set amount paid bi-annually after harvest under the *kisani* system. It was also often accompanied by the patronage of rich clients. However, excluding the service providing classes (e.g. washermen, tailors, water carriers, etc.) formal social security nets outside the realms of quasi-bonded labour arrangements were never entitlements among the poorest members of society, namely Schedules Caste (SC) or Schedule Tribe (ST) members. Although labour services were guaranteed under such restrictive practice, SCs and STs had already decided to work outside the village, in part because of ill treatment within the village by the land-owning classes. They actively rejected dependency, preferring to work hard for capitalists outside the village, instead of carrying out stigmatised work within the village. Therefore the casualisation of wage labour within the village has not had a significant impact on poverty and vulnerability. Conversely, landlords complain that increased labour costs have reduced the profitability of agriculture because they have to pay people cash wages for daily labour services, thereby making agricultural income flows more difficult to manage.

1.3.2 *Growth of the non-farm rural economy*

It is not possible to theorise the production and consumption decisions of peasant households without considering the interaction between market and non-market resources, subsistence and wage labour, on-farm and off-farm activities. The peasant household is characteristically defined as a unit of production and consumption, for which agriculture is the primary source of economic activity (Bernal, 1994). However, rural livelihoods in India are increasingly diverse (Mooij, 2000; Breman, 1993; 1996). According to recent figures, 35% of rural income in India is from non-agricultural sources (Lanjouw and Shariff, 2000). However, the level of non-farm economic activity is not necessarily a consequence of increased agricultural production and diversification, but it is also a sign of increased insecurity (Mooij, 2000; Breman, 1993). This is true of the poorest households in both villages who cannot achieve livelihood security through agricultural production alone.

1.3.3 *Livelihood multiplicity and push factors*

Diversity due to livelihood insecurity, termed ‘push factors’, are associated with downward economic mobility, when diversification occurs in response to a decrease in the attractiveness or

sustainability of an existing livelihood activity (Barrett, Reardon and Webb, 2001). However push factors may decrease the returns from an existing livelihood if the pressure for immediate income is too great. This is particularly relevant in the case of participation in local agricultural wage labour, when immediate cash income is prioritised over agricultural production. At a macro level, push factors are influenced by constraints in markets, disadvantageous credit markets, increased competition and climatic uncertainty (Barrett, Reardon and Webb, 2001).

Push factors are therefore associated with a perceived increase in vulnerability and are not strategies employed for the attractiveness of economic gains. However, livelihood diversity may also reflect a scenario in which all available labour is being employed by households seeking to maximise income gains. Additionally, it implies agency on the part of the poor to provide extra income from any means necessary, without becoming dependent. The need to repay debts is also an important reason for increased participation in wage labour.

There are many informal activities, which the poor are involved in. However, most such activities are low return, although the activities assist the self-sufficiency of the household; namely *mahua* collection, dung cake making (for fuel), brick making, (in the agricultural lean season) rearing of others animals, scavenging grain from the harvested fields, basket making (for females of the basket making caste) and piecemeal domestic service (as charity for elderly women). Similarly, children are involved in some domestic service and animal herding. With the exception of brick making, it is women who are primarily engaged in these activities, which are incorporated syncretically into the myriad of domestic chores. These activities constitute daily survival strategies for the poorest households.

1.3.4 Livelihood multiplicity, pull factors and adaptation

By contrast, pull factors are associated with upward economic mobility based on an increasingly attractive opportunity set, such as strategic complementarities and specialisation. From a macro perspective, pull factors are stimulated by local economic growth from commercial agriculture or proximity to urban areas (Barrett, Reardon and Webb, 2001).

Adaptation is generally associated with the infiltration of methods, ideas, capital and knowledge from outside. The most widespread example of adaptation in both villages is in the agricultural sector, as new variety seeds, fertilisers and irrigation are introduced. As agriculture changes, there is a profound knock-on effect for auxiliary services to meet the changing demands of farmers, such as in the servicing and maintenance of machinery. However, such industries have high barriers to entry in terms of skill and capital investment.

Increased wealth and changing preferences have also altered other service provision, such as the setting up of barber shops and *chai* (tea) stalls. Most of these new entrepreneurs in the cash economy have evolved from traditional service-providing roles within the historical *jajmani* system of exchange. From static patron-client relationships, fluid business transactions have emerged. Competition has been the driving force of change, as new methods of operation spread quickly and become a pre-requisite for survival in the new competitive environment. Successful adaptation in a more commercial environment has favoured those in an already superior economic position, namely those with a large *kisani* base under the *jajmani* system of exchange.

1.4 Defining socio-economic mobility

The definition of socio-economic class has become much more complex in the context of a highly diverse rural economy. The decline of the *jajmani* system in particular and the creation of new

employment opportunities has decreased the importance of the rigid hierarchical caste system, based on religious notions of purity and pollution, giving way to secular criteria such as education, wealth, income and occupation. Although caste is still important in the determination of peoples' position within society, economic mobility and the acquisition of various types of capital has created more dynamic categories of economic stratification. Amongst the poorest members of the villages, socio-economic mobility is self-defined in terms of increased livelihood security, whilst for others, it is defined in terms of improvements to livelihood sustainability. For the most affluent, socio-economic mobility is associated with increased linkages outside the economy for salaried employment, business and education.

2 Methodology

2.1 Ethnography and rural household livelihood research

Household livelihood research has become an increasingly recognised tool to inform ‘bottom up’ development planning and policy in recent years. However, it often relies on economic data, which reveals little about the dynamics of poverty and the factors affecting locally constructed ideas of well-being. Such an understanding of the dynamics of decision-making at the household level can reveal much about the choices, constraints and preferences, which are negotiated to achieve greater livelihood security amongst the rural population.

Detailed micro-analysis of household decision-making takes into account particular cultural and social practices, which influence decision-making, for example the gendering and hierarchical nature of productive and reproductive roles and the importance of social networks. Households are not homogeneous units and therefore it is difficult for economic data to accurately reflect the diversity of livelihood practices by locality, time and sector, the role of different actors within households and the particular circumstances which influence decision-making. Ethnographic research can play an important role in illuminating the subtleties of livelihood decisions in revealing attitudes to risk and security, the realities of the household welfare function and hierarchies of coping strategies.

Livelihoods are highly diverse. Activities, consumption and income vary on a daily, seasonal or longer-term basis. Measures of well-being are also complex and macro indicators are insufficient to capture the tangible and intangible aspects of deprivation, such as dependency, powerlessness, loss of dignity. Understanding how poverty is experienced and alleviated within households can help to align policy-making with the aspirations of the indigent. Whilst the paper does draw on some macro-level analysis, the findings are based primarily on ethnographic field research, which was carried out between February and September 2002.

In contrast to other participatory methods, the ethnographic research was mainly conducted through the use of informal interviews. Initially, respondents were not guided by the agenda set by the interviewer, but were free to discuss any issues and concerns. Informal interviews were followed up by case study analysis of particular households. Triangulation and scripted in-depth interviews were used to focus the research as specific issues emerged. (Refer to Appendix 1 and Appendix 2 for further detail). These methods were used in conjunction with quantitative analysis of household survey data.

2.2 Justification for the selection of the villages

As part of a study of structural change, the villages were selected on the basis of their exposure to external economic, social and political forces. As the study essentially aimed to understand how exposure to the external economy affects livelihood behaviour and poverty, in scientific terms Villanpur can be seen as a control and Sadangarh, the experiment. Although initial conditions within the villages are significantly different (Villanpur is atypical of Indian villages as all villagers are from the same sub-caste group), it provides an interesting model for comparison, to understand how household livelihoods are significantly influenced by the geographical location of the village and the effect of a less hierarchical society on livelihood outcomes. Such a comparison also highlights the heterogeneous nature of villages.

2.2.1 Comparison of social stratification

The most striking internal distinction between Sadangarh and Villanpur is the lack of internal hierarchy within Villanpur. Due to poverty and the fact that it is a single caste village, Villanpur does not have any internal system of exchange. However, the exercise of moral claims, characterised by a pooling of labour and help in times of distress, is much more prevalent in Villanpur compared to Sadangarh.

The formal exchange of goods and services only occurs outside Villanpur, in the neighbouring town. Hence any economic growth amongst a few villagers has no re-distributive effect within the village. Land redistribution is also considerably egalitarian, as there are no significant landowners. Those who are self-sufficient in agriculture, with around five acres of land, are from families whose ancestors first began encroaching and farming the land.

Sadangarh has a rigid system of social stratification and social networks are almost exclusively developed amongst sub-caste groups, although many OBC males spend a lot of time talking with different caste group members at the local *chai* stalls.

The term ‘community’ is widely used by villagers to refer to people of their own sub-caste and there is little sense of common identity as a ‘villager’. Both established occupations and new employment opportunities spread through sub-caste groups and housing clusters are also delineated by sub-caste. Daily support for households is also on the basis of sub-caste, although vertical linkages to higher caste groups are important, especially in extreme circumstances when moral claims against established patron-client relationships and those with moneylenders are required, but help is in no way guaranteed. Those who would be more likely to receive help in extreme situations are the village elite and the socially and economically disadvantaged, such as the elderly. In the latter case, piece-meal help is more likely to come from fellow sub-caste members.

Social stratification is also synonymous with economic stratification. While the rich of Sadangarh are buying expensive clothes from the district headquarters and educating their children to tertiary level, the children of the lower social strata regularly have empty bellies and wear ragged clothes. Extreme differences in wellbeing are normalised within the village and accepted along with caste stratification.

Villanpur is characterised by linear intra-household relationships as a single sub-caste group. There is a strong sense of village identity, especially amongst the two individual hamlets. Day-to-day support emanates from neighbours, as moneylenders who come from the nearby town are only contacted in times of extreme need.

2.3 Research methodology

There were three distinct phases in the methodology for this study, generating both quantitative and qualitative data. The analysis of the village census and household survey data led to the identification of livelihood trajectory clusters. In Sadangarh, analysis is on the basis of sub-caste, livelihood occupations and income (see Table 2). In Villanpur, the main economic stratification was measured using number of months of food from agriculture. The amount of food income from agriculture is also a proxy, which reflects the quality and size of landholding. On the basis of this segmentation, case studies were selected to reflect particular trends in upward or downward economic mobility and for the exploration of a wide range of shocks, such as death, marriage and illness. Additionally, focus group and key informant interviews were conducted from these clusters, to clarify and refine emerging research hypotheses. Both men and women were interviewed

separately from each case study household and in focus group discussions. A description of the four-stage research methodology employed is detailed in Appendix 1. Appendix 2 provides a detailed description of the case studies selected for further study in both villages and the rationale for their selection.

2.4 Description of traditional livelihood classes

Although livelihoods are often diverse, sub-caste group is still the most accurate predictor of the main livelihood activities of a household, even if the sub-caste group is no longer employed in their traditional occupation. The term ‘caste’ is used to refer to the categories defined by the Indian government – GC, OBC, SC, and ST. Sub-caste is the term used to refer to the specific group with their own distinct ‘traditional’ occupation, such as peasants, basket-makers, animal herders and washerman, etc.

2.4.1 Overview of caste activities in Sadangarh

General Caste (GC)

The term general caste includes Brahmans (traditionally priests), Jains (historically engaged in business activities) and Thakurs (landlords) who manage workers to farm their land. The land is actually farmed by members of the untouchable class as free or bonded labourers.

Other Backward Castes (OBC)

The category OBC, refers to both traditional peasants and artisans/service providers. Peasants are still engaged primarily in agriculture, but the poorest households are increasingly involved in wage labour. However some of the richest households are cultivating a large surplus of produce for the market, from cash crops such as tomatoes, soya bean and some sugar cane.

Traditional artisans/service providers are the class of skilled workers who used to be employed under the *jajmani* system of exchange, whereby patrons would supply a fixed amount of grain in return for continual service and the performance of certain rituals at marriages and death ceremonies. Examples of villagers employed range from water carriers to blacksmiths, carpenters and barbers. Like peasant households, the poorest groups of traditional artisans/service providers are also supplementing income from agriculture and the caste occupation with wage labour.

NB All members of Villanpur are from the same OBC water-carrying sub-caste group.

Scheduled Caste (SC)

The scheduled castes are workers whose traditional employment was viewed by the wider community as unclean, because it involved work with animals, with the exception of washermen. Pastoralists, leather-workers and basket-makers are the main traditional livelihoods that fall under this category. Although not all traditional work directly relates to animals, some castes had rights to certain parts of the animals once they were deceased. The caste occupation involving dead animals is no longer officially practised. This is a sign of upward economic mobility, indicating that community members are in a secure enough economic to choose not to carry out ritually impure acts. There is wide variation within this group. The most affluent households have secured their livelihoods through the land-ceiling act and investment in agriculture as a result of outmigration. Many other groups have stagnated because they have stayed in the village and are relying on their traditional occupation, wage labour within the village, some agricultural migration and marginal, often rainfed agriculture.

Scheduled Tribes (ST)

Schedule tribe members are a homogenous group, who were traditionally involved in hunting and gathering activities. Scheduled tribes often live apart from the main village settlement, for reasons of proximity to the forest and due to their low status within the wider village community. Scheduled tribes have performed well through outmigration and modern agricultural production as a result of receiving land through the land-ceiling act.

3 Overview of Current Livelihoods

3.1 Overview of current livelihood options in Sadangarh

Sadangarh is a relatively large village with a population of around 2,700. Livelihoods are highly diverse, although the majority of households are engaged in some kind of agriculture. It is home to 31 different sub-caste groups. The general caste category is Brahmans (priests), Thakurs (landowners) and Jains (businessmen), OBCs (peasants, skilled craftsmen/servants), SCs (leather/animal workers and washermen), and STs (traditionally foragers). Village politics are dominated by the influence of the *Raja* (ex-feudal king), who is still the largest landowner in the village.

Sub-caste is still the most influential factor determining livelihood behaviour. Even though some households or communities have limited involvement in their traditional caste occupations, new livelihood occupations spread through sub-caste groups. Generally, the people of Sadangarh are food secure and therefore livelihood diversification has often been the result of increased opportunities and linkages to the external economy.

Table 1 illustrates the main occupations of different caste groups in Sadangarh. Sub-caste groups are listed in descending order of median annual income.³

³ Income is given using the median, to provide an average, which is not biased by outliers.

Table 1 Overview of castes and current livelihood occupations in Sadangarh

Caste	% in popln.	Traditional occupation	Current livelihood occupation	% income from agriculture	% income from other sources	Agricultural land	Average annual income (median)
GC Thakur/Khare	2%	Land management	Land management, service, business	79%	Service: 13% Business: 7%	Large	46,000
GC Jain	6%	Business	Business, service, money lending	16%	Business: 66% Service: 14%	Landless/medium	32,000
GC Brahman	5%	Service/ priest	Agriculture, service	43%	Service: 39%	Landless/small-medium	17,000
ST Adivasi	3%	Tribals	Agriculture, service, labour	62%	Service: 14% Labour: 21%	Small/ medium (No landless)	15,100
OBC Sahu	10%	Oil extraction	Agriculture/oil extraction/ice cream	43%	Business: 27% Service: 15% Labour: 11%	Small/medium	15,000
OBC Lodhi	16%	Agriculture	Agriculture/auxiliary services	82%	Labour (total): 9%	Small/medium	14,500
OBC Kushwaha	14%	Vegetable cultivation	Agriculture/vegetables	71%	Labour (total): 20%	Small/medium	14,000
SC Ahirwar	8%	Leather work	Agriculture, wage labour	44%	Labour: 46% Agri Lab: 7%	Small	12,000
OBC Traditional artisan/service	22%	Caste occupation	Caste occupation/ agriculture/labour	36%	Caste: 40% Labour: 12%	Small, marginal	11,000
SC Other	15%	Animal work, basket weaving	Agriculture, animal herding, wage labour	40%	Labour: 27% Caste: 9% Agri Lab: 7%	Marginal, small	8,800

Source: ODI village census

Notes

- Analysis is given for all sub-caste groups who account for at least 5% of the population with the exception of historically-dominant landlords (Thakur/Khare).
 - OBC traditional artisan/service group is comprised of Vishwakarmas (carpenters), Lohars (blacksmiths), Namdevs (tailors), Napits (barbers), Dhimars (water carriers) and Khumbhars (potters).
 - SC 'other' category is comprised of Khangar (thieves), Basod (bamboo workers), Bunkhar (cloth weavers, animal workers), Chadhar (goat herders, animal workers), Gadaria (goat herders) Rajak (washermen) and Mehentar (village cleaners). With the exception of goat herders, bamboo workers and washermen, few are now engaged in their caste occupation.
 - The percentage income figures are based on averages of all members of the sub-caste group.
 - Labour refers to non-agricultural labour, except in the case of Lodhis and Kushwaha, where totals are given. Large landowners: those with ten or more acres of Grade A land (double-cropped, irrigated). 'Medium': farmers with between five and ten acres of Grade A land. 'Marginal': those with less than five acres of Grade A land.
- NB These classifications are different from Government of India classifications.

Table 1 identifies the richest and poorest sub-caste groups and the extent of diversification within the village. In particular, the ST community and to a lesser extent the SC Ahirwar community are performing better than their lower caste status might suggest. Both groups have benefited under the land-ceiling act and have migrated out of the village. Both groups prefer the anonymity of working outside the village, compared to the treatment within the village. By contrast, the Kushwahas (traditionally peasant/vegetable growers), although doing well in tomatoes, have become increasingly dependent on income from wage labour, a sign of downward economic mobility, due to increased population and decreasing land plots. Out of pride this caste group does not wish to migrate out. Whilst reasonably respected within the village, OBC artisans/service providers have experienced a fall in income. This is due to the fact that the caste occupation is in decline, caused by a fall in demand for their services, increased competition and higher capital investment. Brahmans (priests) are also not doing very well, because the poorest, who do not have long heritages in the village, have to depend on their own agriculture.

There are huge disparities between the rich and the poor of most caste groups and patterns of socio-economic mobility are not uniform. In particular, the widest gaps between rich and poor are seen amongst the traditional artisan/service providers and peasant households. Although significant gaps have always existed amongst these households, trade liberalisation and commercialisation has enhanced disparities. Access to capital equipment, acquisition of skills and the ability to take risks have meant that the richest have become richer, whilst the poorest have become poorer.

The relative position of households therefore needs to be examined within different sub-caste groups. Because of the increasing number of livelihood choices available in Sadangarh, examining livelihood change is an important tool of analysis, because it is a good indicator of livelihood stress and success.

As previously argued, livelihood options are influenced primarily by sub-caste. Initial asset endowment, education/skills, access to information and social status are also important. Often, those who have done better than the rest of their caste group, without having a better livelihood situation, have done so because of the individual personality and drive of one member of the household, who is determined to succeed. Table 2 illustrates the different trends evident within different caste groups. It depicts the livelihood fortunes of different caste groups within Sadangarh. This framework provides the basis for the selection of household case study work (see Appendix 2). The table shows the different sub-caste groups, their involvement in agriculture, their traditional livelihood occupation,⁴ the current livelihood occupation and the impact of structural change on socio-economic mobility.

⁴ Traditional livelihood occupation refers to the caste occupation or livelihood behaviour exhibited for over 30 years.

Table 2 Overview of livelihood trajectories in Sadangarh

Caste/landholding	Old livelihood	New livelihood and hence trajectory	Impact on socio-economic status	Key explanatory structural change
GC: Thakur, Khare. Large land owners	Historically dominant landlords	Land management	Stagnant/down	Land-ceiling act – recent decline in profitability of agriculture despite Green Revolution (GR), due to increased labour costs
GC: Jain. Varied landholding; agriculture Share cropped out	Business	Business, agriculture and service	Very up	Land-ceiling act and profitable businesses. Better education and new service jobs
GC: Brahman. Varied landholding; agriculture Share cropped out	Priest, Government service	Business, agriculture and government service	Just up	Doing well in shops due to increase in demand for consumer goods. Better education, good government service jobs. Some agriculture under land-ceiling act, but fewer automatic privileges compared to when serving as priests
OBC: Lodhis/some Kushwahs. ⁵ Medium/large cultivators	Cultivators	New landlords, still doing own agriculture, buying land, hiring out agricultural equipment/diversification into agricultural services/trading produce	Very up	Shared household strategies. Intensification of agriculture, trade and reinvestment. Running agriculture like a business, to make as much money as possible from, e.g. equipment hire, brokering for other small farmers
OBC: Lodhi. Medium cultivators	Cultivators	Middle peasants Diversifying into non agricultural activities	Just up	New opportunities in non-farm economy leading to diversification into ice cream, machinery repair, driving, milk selling businesses
OBC: Lodhi, Kushwaha. Small cultivators	Cultivators	Agriculture sufficient for 6-12 months – previously sufficient. Supplementing income with wage labour/ growing vegetables for cash income	Down	Land division and population increases
OBC: Sahu. Small/medium farmers, Share cropping	Oil extractors	Small farmers/ medium farmers diversifying into ice cream business/ other to replace traditional caste occupation	Very up	Improved agriculture, cash cropping and vegetable growing, ice cream business during agricultural lean season, money lending
OBC: Sahu. Landless	Oil extractors	Landless, caste occupation/other activities	Up	Caste occupation profitable as others have diversified elsewhere. Others finding own jobs in new economy – generally enterprising

⁵ Lodhis and Kushwahs are both peasant communities, but Kushwahs traditionally specialise in vegetable cultivation.

Caste/landholding	Old livelihood	New livelihood and hence trajectory	Impact on socio-economic status	Key explanatory structural change
OBC: Namdev, Vishwakarma, Lohar, Soni, Napit. Variable land	Artisans/ service providers	Caste Modernisers – adapted to new economy to maintain/grow business	Just up	Decreased demand for caste occupation, but have learned new skills in motor repair or set up business related to traditional occupation
OBC: Namdev, Napit, Vishwakarma, Lohar, Kumbhar. Small/ marginal land	Artisan/ service providers	Agriculture and caste occupation due to decreased demand for caste occupation. Some wage labour, more dependence on agriculture	Same – down	Decline of <i>kisani</i> relationship and demand for services. Worse skills base, generally poorer and therefore less able to adapt
SC/OBC: Dhimar, Rajak, Napit. Small/ marginal land	Service Providers	Agriculture and (caste occupation), some wage labour	Just up	Better agriculture due to GR. Agriculture almost completely replacing caste occupation – low, but more food secure than previously
SC: Ahirwar, Chadhar/ ST small land owners	Animal worker, Tribals	Outmigration and investment in agriculture	Very up	Land-ceiling act, outmigration for significant part of year and re-investment in agriculture
SC: Bunkar, Basod, Chadhar. Marginal	Basket making, animal work, cloth weaving	Non- and agricultural wage labour – no outmigration, marginal land	Down	Still poor and struggling – no capital to invest/land
SC: Bunkar, Basod, Chadhar. Landless	Herding	Wage labour and goat rearing due to decreased returns from herding	Down	Less profitable goat rearing due to reduction of common grazing land
Socially disadvantaged Marginal/landless	Various – old age or very young	Scavenging and relying on good will of others	Very down	Land lost through encroachment. Little kinship support. Unfit to be fully economically active.

Source: ODI village census

3.2 Overview of current livelihood options in Villanpur

Villanpur is a settlement comprised of two hamlets, located 3km from a town (population 7,000). It is 37km from the district headquarters of Tikamgarh, around 50km from Jhansi (Uttar Pradesh, population 300,000) which has a five-hour direct train link to Delhi. The village has regular transport to the district headquarters of Tikamgarh and Jhansi, but transport links often become cut off for months during monsoon.

The entire population is from the Dhimar sub-caste group (traditionally involved in water-based activities).⁶ The entire settlement of the area is focused around the village pond. There are two distinct hamlets, one adjacent to the village pond and prone to flooding, whilst the other hamlet is situated on higher ground, nearer the road connecting the hamlet to the main town. While relationships in one hamlet are good, the villagers of the other hamlet are politically divided after a murder. The hamlets are politically marginalised, as there is no separate *Panchayat*. However, one villager was elected as *Sarpanch* of the main town and held the position for five years.

The total population of both hamlets is 720. Their diet consists mainly of *rotis* (Indian pancakes) made from wheat, rice and some pulses. Skipping meals is a frequent occurrence for many households, especially during the agricultural lean seasons. Previously, many villagers carried out the traditional caste occupation of fishing and water chestnut cultivation, but the lake was privatised in 1997 and only a few villagers now have fishing rights. Most villagers have secured small plots of poor quality land, particularly in response to the decline in the caste occupation. Annual per capita income is Rs1,900 or £26.70 (source: ODI village census).

Previous generations concentrated on fishing, water chestnut cultivation and, to a lesser extent, agriculture and wage labour for their livelihoods. Livelihoods have gradually shifted to a higher dependence on agriculture and wage labour. The most important determinant of food security in the village is the size of land holding. Generally, those who have land are able to supplement their agricultural income from many different sources and many have access to the lake for fishing and/or water chestnut cultivation. However, some of the most affluent households are also engaged in wage labour to increase livelihood security.

Livelihoods in Villanpur are not very diverse, because there are few economic opportunities, but most households are not able to secure enough income from one activity. Every household is engaged in agriculture (either on their own land or sharecropping) and supplement their income with wage labour, although a few households receive a significant amount of income from goat rearing. Whilst goat herding is one of the lowest return activities in Sadangarh, it provides relatively good returns in Villanpur. This reflects the different standards of living in both villages. As most households are receiving income from different sources, household classification was based on the number of months of income from agriculture. As such, four key segments were identified:

- households selling agricultural surplus – this is the only group of households who are accumulating in Villanpur (19 %);
- households receiving six to twelve months' food from their own agriculture (50%);
- households receiving less than six months' food from own agriculture (17%);
- landless households receiving less than six months' food from sharecropping (14%).

⁶ This includes water carrying for rich patrons at festivals and in regular service, although no recent generations of villagers have been engaged in such activity. The traditional caste occupations are the pond-based activities of *singada* (water chestnut) cultivation and fishing.

Group 1 exhibit common patterns of livelihood behaviour. Income is from a diverse range of sources, although most is earned from agriculturally-based activities. This is the only group to accumulate surplus amounts from agriculture to engage in petty businesses, such as boat hire and fish selling. However, the main reason for the relative improvement in socio-economic status is the intensification of agriculture.

Livelihood behaviour is similar amongst the other three groups of households. All are engaged in agriculture and some form of wage labour, regardless of the number of months-worth of food generated from agriculture. There is more outmigration among sharecroppers compared with other farmers. Because they are landless, they migrate more and are slightly better off than farmers receiving less than six months of food from own agriculture.

Apart from those households with a small agricultural surplus, other households are investing little in agriculture. This is because they are not accumulating sufficient cash income from wage labour, to pay back loans. Money from wage labour is used to meet daily living expenses. Decision-making is therefore dominated by short-term survival. Even though there is incessant food stress, villagers are not going outside for wage labour in times of extreme distress, but by suggestion from other individuals. Migration is a high-risk strategy because people are living so close to the margin. Few households have established migration patterns, apart from agricultural migration for paddy harvesting. This is because villagers are afraid of being cheated if they seek work outside the immediate vicinity. Agricultural migration happens if and when a contractor arrives in the village.

3.3 Comparative livelihood analysis

Table 3 shows the relative contributions of various livelihood activities, the penetration of different activities and the average returns from different activities for both villages.

Table 3 Comparative overview of livelihood sectors in Sadangarh and Villanpur

Livelihood	Percentage of total income (%GDP)		Percentage of households engaged in activity		Average return per household (Rs) **	
	<i>Sadangarh</i>	<i>Villanpur</i>	<i>Sadangarh</i>	<i>Villanpur</i>	<i>Sadangarh</i>	<i>Villanpur</i>
Agriculture (crops only)	51	49	84	91	12,000	5,700
Agri-labour	4	4	14	33	2,000	1,200
Wage labour (off-farm)	15	26	31	80	7,000	3,700
Caste occupation*	7	2	14	9	6,500	2,200
Service	10	15	19	7	12,000	25,600
Business	10	0	19	0	17,000	0
Income (other)	3	3	N/a	N/a	N/a	N/a
Income sale non-farm crops	0.2	0.4	10	14	800	300

Source: ODI village census

Notes: * Caste occupation is the amount of income of traditional artisans/service providers. Service refers to salaried employment, particularly in government service. In Villanpur, the figure for caste occupation relates to all income from fishing and water chestnut cultivation.

** Average returns per household are calculated by dividing the total income for sector by the number of households involved in the activity. Figures are rounded to the nearest Rs 100.

Although Sadangarh has a much more developed internal economy, both villages receive half their income from agriculture. Non-farm activity is equivalent in both villages even though Sadangarh is

much more developed. Returns from agriculture in Sadangarh are much higher because villagers grow cash crops and have better access to modern farming methods.

Relative returns from agricultural wage labour in both villages are low. In Sadangarh there are better livelihood options open to villagers, but returns from agricultural wage labour are higher because there are more days of work available.

The relative returns from traditional artisans/service providers is also low. This is due to falling demand for their products and services, as a result of increased competition from cheap manufactured goods and competition with Tikamgarh.

In Sadangarh, although average returns from business are similar to good returns from agriculture, the richer members of society are still investing more in agriculture, rather than other non-farm opportunities. This is because food self-sufficiency is prioritised.

Government jobs are the most secure and well-paid livelihood option of the privileged few.

3.4 Sources of structural change in the villages

Structural change has led to an increase in the welfare of the majority of households in both villages. In Sadangarh, most households now earn some cash income, which has fuelled the growth of the non-farm economy. The gap between the rich and poor of the village, its proximity to the district headquarters (which means that goods are easily transportable and outmigration is easier) and increased returns from cash cropping, have all fuelled the growth of the non-farm economy. Apart from luxury items, people buy most of their goods in the village. In Villanpur, the main improvements in wellbeing are from agriculture. However, the villagers are still eating poorly and do not grow enough food.

3.4.1 Structural change in Sadangarh

The most important examples of structural change and a summary of the impact on the economy and wellbeing of Sadangarh over the last fifteen years are illustrated in Table 4.

3.4.2 Structural change in Villanpur

Villanpur has been relatively insulated from changes in the wider economy. As a single caste village, the relative social and economic wellbeing of villagers is less hierarchical and more egalitarian. The most affluent villagers are those who have larger plots of land of three acres or more, who can grow enough food for year-round requirements. Still, these households are engaged in wage income to supplement their own agriculture. There are no services provided by villagers for other villagers, it is completely economically dependent on the nearby town. There are no shops or stalls in the village.

The most important examples of structural change impacting the livelihoods and wellbeing of the people of Villanpur over the last fifteen years are detailed in Table 5.

Table 4 Effects of structural change in Sadangarh

Change	Positive impact	Negative impact
Transformation of traditional agriculture through impact of Green Revolution and new technologies – seeds, irrigation, new techniques, electrification, mechanisation.	Increased productivity for small and large farmers alike.	Increased debt burden and increased risk in agricultural production.
Growth of the rural non-farm economy fuelled by increased agricultural productivity and out-migration. Income has increased demand for auxiliary agricultural services and agricultural products such as dairy and vegetables, construction and services, such as chai, food stalls, salons.	Increased competitiveness in existing occupations and demand further fuelling economic growth. Improved diet. Creation of new jobs. Positive effect for richer households	Reduction of traditional agreements of exchange – patron-client relationships and reduction in demand for those unable to modernise. Negative effect for poorest households
The growth of urban employment opportunities, leading to seasonal migration. Improvements in transport and information have led to enhanced access to distant labour markets.	Increased income, resourcefulness and capital of individuals – income often used to modernise agriculture.	None, if demand for unskilled labour in urban areas is maintained.
Influx of consumer goods, leading to changing preferences.	Profits for those capable of providing new goods to village economy.	Increased indebtedness through enhanced dowries. Increased level of external leakages from the village economy. Reduced levels of demand for traditional goods and services.
Land reform act.	Reduction in the number of landless, but not necessarily the poorest landless. Casualisation of wage labour among marginal farmers.	Reduction in common grazing land affecting foragers and herders.
Other government interventions, e.g. formalised credit provision, social security and poverty schemes, agricultural support, political reservations, new seeds for cash cropping.	Policies are not affecting those who need to benefit most from re-distributive initiatives. Increased levels of corruption and creation of competition, bad feeling between community members.	
Political decentralisation.	Increased awareness/participation.	Corruption/barriers to redistribution to the poor.

Table 5 Effects of structural change in Villanpur

Change	Positive impact	Negative impact
Transformation of traditional agriculture through impact of Green Revolution and new technologies – seeds, irrigation, new techniques, electrification, mechanisation.	Increased productivity for medium and small farmers alike.	Increased debt burden and increased risk in agricultural production.
Growth of urban employment opportunities and communication linkages.	Increased income.	High search cost, a risky strategy for the poorest households.
Government interventions, investment in roads, credit provision, social security, poverty schemes.	Limited impact, restricted to more affluent households.	

3.5 Structural change, poverty and livelihood security

In both villages, livelihoods have become more secure over the last fifteen years. Structural change has led to increased wellbeing for many poor as well as rich households. Livelihood security is defined as the ability of households to cope with shocks without the permanent depletion of assets.

3.5.1 *Identifying the poorest*

The indigent in Sadangarh are mainly landless or marginal farmers, generally from scheduled caste communities, who have not been able to migrate out due to ill-health, lack of capital to fund migration and lack of inclination to leave the village. Additionally, the elderly and female-headed households are economically disadvantaged. In both cases, vulnerability is caused by a lack of the most basic asset, namely human capital, in particular healthy labour power. However, for some it is a positive choice to stay in the village: some are also spiritually minded, preferring to spend their days in the fields tending goats, rather than being exploited and living in an urban slum. Animal herders in Sadangarh have seen the depletion of common grazing land, which has reduced their capacity for large herding stocks and access to markets. This has forced the group into a permanently precarious economic situation, relying heavily on local agricultural wage labour to smooth over consumption deficits.

In Villanpur, the poorest households are those of marginal farmers and the landless, who depend most heavily on casual agricultural wage labour. In both villages, the poorest are often seasonal agricultural migrants, which is an important indication of livelihood insecurity.

3.5.2 *Identifying food insecurity*

In Sadangarh, only some marginal farmers, the physically and socially disadvantaged and animal herders periodically experience significant levels of food insecurity. However, many households, particularly marginal farmers, have remained poor, without a secure source of income for basic food requirements. The key difference between the poorest SCs and other households is that they haven't migrated to urban areas and they haven't benefited from the land-ceiling act.

In Villanpur, livelihoods have become more secure over the last fifteen years due to improvements in agriculture and increased participation and availability of wage labour. However, few households are food-secure. With the exception of the top 20% of households, who are engaged in own agriculture or government service jobs, the population of Villanpur struggles to provide two meals per day, especially during the agricultural lean season. Although most families are able to participate in wage labour to compensate for the income gap, there is insufficient work for this to guarantee year-round food. Some households also supplement their income by sharecropping and out-migration. The situation has improved considerably, but a low level of food consumption is a common coping strategy or normal behaviour synonymous with everyday life.

The most important changes, which have increased livelihood security of the most vulnerable groups in both villages are the:

- intensification of agriculture, leading to better and more abundant food supply;
- increase in out-migration/participation in urban labour markets (limited impact in Villanpur);
- impact of the land reform act (Sadangarh);
- encroachment of common land in both villages, which has had a high impact on a small number of households. Most land encroachment occurred in the last 30–40 years. However, it is only the households earning sufficient income from agriculture who have been able to start farming and investing in the encroached land for it to significantly contribute to food income.

4 Impact of Structural Change on Livelihood Sectors

This section outlines the main changes to different livelihood sectors in the villages. Where differences exist, special reference is made to the particular village. The main livelihood sectors examined are agriculture, agricultural and non-agricultural wage labour, traditional artisan/service provision, business and water-based activities (Villanpur only). Rather than providing a detailed examination of each sector, the focus is to understand how changes to the sector have affected livelihood behaviour.

4.1 Changes to agriculture

The issues affecting agricultural production are very different between the two villages. However, in both villages the main crops are paddy and wheat and many farmers have diversified to grow sesame and blackgram for home consumption. The main difference between the two villages is access to irrigation. As Villanpur has a lake, more villagers have accessed water by buying pumps. In Sadangarh, it is necessary to invest a large amount in a well. Generally, there has been a large amount of investment in agriculture in Sadangarh compared to Villanpur. Seeds and fertilisers are purchased through the government co-operative society, but the society is not open to marginal farmers, who account for 25% of households in Sadangarh, compared to 75% in Villanpur.

By contrast, Sadangarh has a diverse group of farmers whose activities range from minimal subsistence strategies, to extensive cash cropping. There is a significant gap in the profitability of agriculture between the rich and poor of the village, in particular those with little experience in the agricultural sector. An overview of the issues facing agricultural production in each village is given below.

4.1.1 Agriculture in Villanpur

All households sampled in the village survey are carrying out agriculture. The landless are carrying out sharecropping and typically receiving three months' food income from their labour. Only 14% of households are completely landless and only 9% of households have no income whatsoever from agriculture. Those households without agricultural income have good government services jobs. Therefore landlessness is not directly linked to poverty. Landless sharecroppers are slightly better off than marginal farmers because they are more free to migrate.

As villagers have few livelihood options, the benefits of modern agriculture have made significant if modest improvements to livelihoods, affecting most households. This is due to the relatively low start-up costs involved in agriculture, the relatively egalitarian distribution of land and access to water from the lake. As a result, water is more evenly distributed. Those farmers with more than five acres of Grade A land own only 32% of all irrigated land in the village.

The majority of farmers have marginal plots adjacent to the village pond and therefore modern crops have been successful. The land near the pond is generally of good quality, although a few plots are prone to flooding. Villagers have therefore been able to cultivate new crops, without investing in prohibitively expensive wells. They are less affected by poor monsoons compared to Sadangarh. However, there is little land available and therefore the possibility of agriculture to further improve livelihoods is minimal.

Few farmers are members of the co-operative society in Villanpur. Villagers prefer to purchase seeds and fertilisers on credit from local traders. However, many medium/large farmers still prefer

to buy seeds and fertilisers from the Jain traders because they are used to this arrangement and associate the co-operative society with bureaucracy. Seeds are purchased on credit and repaid in grain after the harvest – for every 10kg of seeds taken, 15 kg of grain is returned. There are no examples of villagers being denied access to credit for seeds. Villagers do not grow their own seeds as this reduces the amount of food available for the forthcoming year. However, poorer households in Sadangarh use their own seeds to grow the following season's crops.

Fertilisers are used sparingly. Marginal farmers typically use 25% less than what is recommended by Jain traders or from their experience of other farmers from sharecropping opportunities. Fertiliser usage is reduced because crops are for home consumption. Villagers do not think that the use of more fertiliser will considerably increase yield and therefore it is seen as more hazardous to invest larger amounts. Generally, people are content with the service provided by traders and do not think that there is any benefit from being a member of the co-operative society, even if terms were more favourable for marginal/small landowners.

Most households have access to a water pump, although few households have outright ownership of the equipment. The water tax paid annually is approximately Rs 200 per year for a marginal plot. However, there are some instances of villagers paying one third of their crop to the person with the water pump.

It is common for villagers to share the purchase of machinery between three or four households, thereby minimising the risk of investment and lowering the minimum efficient scale of capital equipment. Examples of shared ownership are widespread in pumps, threshers, wells and bullocks. This is much more common in Villanpur than in Sadangarh. Overall, there is little use of modern machinery for agriculture and there are only seven threshers and one tractor in the village. However, 76% of households with agricultural land have their own bullocks.

The implementation of modern agricultural techniques has also increased the amount of employment opportunities within the main town adjacent to Villanpur, either directly through enhanced agricultural employment or indirectly, through construction work. This is an important source of income for villagers, to supplement income from agriculture and to learn about new agricultural methods.

4.1.2 Agriculture in Sadangarh

Every aspect of agricultural production in Sadangarh has changed significantly over the last 30 years – government intervention, in the form of land redistribution and the co-operative society; market opportunities leading to cash cropping and vegetable cultivation; and technical innovation, leading to increased usage of capital equipment, high yielding varieties (HYV) seeds and irrigation. This has altered the composition of households engaged in farming, how households are farming and for whom households are producing.

Almost all sub-caste groups are involved in agriculture to a greater or lesser extent. It is primarily those benefiting under the land-ceiling act who have added agriculture to their livelihood portfolios, although some more affluent households have recently started agricultural production, for household subsistence purposes, by employing other villagers as Share croppers or employees. Agriculture is still seen as the most attractive livelihood sector. Generally, agriculture is associated with livelihood security, because it reduces dependence on market purchases and therefore all households within both villages desire to have land, because of the autonomy it represents. The following section illustrates some of the most important changes to agriculture overall within Sadangarh.

Relative importance of agriculture

Improvements in agricultural methods have made agriculture a more lucrative livelihood option. However, it requires a significant investment to dig a well. Agriculture has played and increasingly important contribution to livelihoods across all landed groups, with the exception of marginal farmers.

Overall, agriculture has become relatively more important for most caste groups, in response to the breakdown of traditional means of exchange, as well as land redistribution. Of particular note is the increasing importance of agriculture for traditional artisans/service providers. Previously, food was provided through biannual payments of *kisanis*. This group has been forced to intensify agricultural production, due to income deficiencies from traditional service occupations. However, agriculture's increased importance in the livelihood portfolio does not directly relate to increased returns from agriculture. Most traditional artisans and service providers have irrigated land, however returns are less compared to similar quality land held by traditional peasant farmers. Structural change has possibly therefore led to a reduction in the efficiency of production food, because households with less agricultural knowledge are farming for subsistence.

Land redistribution

Although the market for land has remained fairly stagnant, significant land redistribution has occurred officially, through the land-ceiling act, and unofficially, through encroachment. The impact of the land-ceiling act has been significant, affecting many households from both ends of the social and economic spectrum. Around 5% of Sadangarh's population benefited under the land reform act and generally the ownership of land has become more equitable. There are a few peasant farmers who have accumulated and increased their landholdings significantly, whilst the landholdings of traditional landlords have remained stagnant or decreased following the impact of the land-ceiling act. Although some of the poorest households received land, 16% of households are still landless in Sadangarh.⁷ Encroachment of both common and privately owned land is frequent. However, the land reform act in isolation has not led to a significant improvement in the wellbeing of the poorest households.

Capital investment in modern farming techniques

The start-up costs of modern agriculture are significant and therefore amongst the poorest households, it is only households who have migrated out who have been able to invest more heavily in modern farming methods. For small landowners, investment in modern agriculture is generally debt-financed and carried out incrementally, through profits from cash crops or out-migration. Others with small landholdings have insufficient access to credit markets, few assets to guarantee a loan, and no surplus income. Investment in modern agriculture can be extremely risky and involves a potentially crippling financial burden. This is due especially to the high cost of irrigation.

For those who have had access to finance, the impact of agricultural reform has been significant. The improvement to yields from capital investment has increased livelihood security and has led to upward socio-economic mobility. Investment in irrigation has been the single most important factor, as both villages are located in a particularly arid district, which receives no rain outside the monsoon. Many households have invested small amounts in wells, which have dried up and therefore further investment has been necessary. However, investing small amounts at a time, does not provide good irrigation. One-off investments in larger well projects give good returns, but many people are not in a position to finance expensive wells, which will secure water for a considerable number of years.

⁷ More households are receiving income from own agriculture than this figure suggests because agricultural land is farmed communally, but the land is registered under one household.

Agricultural intensification

Agricultural intensification has increased the quantity and quality of food households cultivate. The intensification of agriculture that began with the Green Revolution has affected the majority of landholding households in Sadangarh: 76% of land-owning households have irrigation facilities and 56% of households own land that is double-cropped. Almost all households have completely replaced traditional crops and the majority of farmers with irrigation facilities have experimented with cash crops. 50% of households receive at least six months of food from agriculture.

As noted, agriculture has primarily improved through irrigation, rather than investment in HYV seeds and fertilisers across household groups. Access to the best quality seeds and fertilisers is through the co-operative society but many small farmers are not members or they have defaulted on loans. Many prefer to grow their own seeds or purchase from other farmers and they use their own fertiliser or purchase from local traders. Investment in high quality seeds is seen as unnecessary as food grown is only for home consumption. Although initial investment is linked to some extent to final productivity, extra investment in better quality seeds is viewed as unnecessary for subsistence farmers. People are risk-averse and do not think that the extra investment will lead to considerably higher output. When considering the relative productivity of other agriculture, the main reason why people think others are more successful is due to better irrigation facilities, not initial outlay or labour. Traditional farming communities and those with accumulated funds from outside the village tend to invest more in seeds and fertilisers than ‘non-agriculturalists’⁸.

Although labour input is difficult to measure, non-agriculturalists tend to spend less time on their own agriculture, in part because households are balancing their time between their traditional caste occupations and agriculture. Generally, the day-to-day management of agriculture is the responsibility of women, for example in weeding and irrigation.

Agricultural knowledge

There is a lot of ignorance surrounding agricultural production, even though it is increasingly important. ‘New’ farmers (households from non-agricultural backgrounds) are not receiving or seeking any advice about their crops. They are observing what other farmers are doing and tend to follow in their footsteps. Most are not members of the co-operative society and buy or grow their own seeds. This is also because it is necessary to own a minimum amount of land before being able to apply for membership of the co-operative society. Information does flow between traditional farmers, but those from non-farming backgrounds are excluded. Lower caste communities have learnt a lot about agriculture from agricultural labour work, but those from traditional service communities have neither received training nor sought advice. Lack of information is having a severe impact on agricultural productivity.

Box 1 Case study: Soya bean

Ignorance regarding crops is highlighted by the example of soya bean, which was first introduced to Sadangarh through the co-operative society. New seeds were given to peasant farmers through a government-subsidised programme. At first, people grew a small amount and when the crop was shown to be successful, volumes increased. Soya bean was successful for around five years, and other farmers copied the behaviour of traditional farmers, introducing the crop in abundance. However, no one received advice about the importance of crop rotation. Soya bean was a windfall for all farmers and the extra cash income was re-invested in wells and pumps. However soya bean has failed for the last three years, with pods failing to fill. Farmers are unsure whether to try their luck again or to replace soya bean with lentils. There is no knowledge or consensus on why the crop failed and whether to try it again this year. Poor households are unaware of the government agricultural extension worker and do not seek advice about crops. The agricultural extension worker tends to visit only large farmers, such as the *raja*.

⁸ Non-agriculturalists refers to those who are not from a traditional farming background, and have little or no experience in agriculture, yet they are now farming their own land without outside assistance.

Although farmers have introduced modern crops and fertilisers, it is only medium-large farmers who have taken advantage of mechanisation and the introduction of cash crops on a large scale. Therefore, the possible improvements overall have been limited in scope, judged against the criteria of improving livelihood security, even though the relative impact has been profound. Although many households have experimented with cash crops, few have diversified into vegetable cultivation. Vegetable cultivation is still the domain of traditional farmers, even though recent returns have been high, particularly for tomatoes.

Widening gap between agriculturalists

The intensification of agriculture has increased the gap between the rich and poor of the traditional farming communities. Several factors have influenced this income gap.

- Large farmers' ability to take advantage of economies of scale and scope by investing in machinery and the consolidation of agricultural land
- The decreasing size of agricultural plots due to population increases and the continual subdivision of agricultural plots. Notably, households who have managed agricultural land between extended families are better off than those who have divided land. This is because of the large capital investments, which if shared are less risky and more likely to occur and provide better returns, due to the minimum efficient scale of such investments
- Diversification of large farmers into agricultural services such as the hiring and repair of agricultural equipment.
- Fewer traders are coming to buy agricultural produce. Due to improved access to local markets, farmers are increasingly taking their produce directly to market. Therefore large farmers are acting as brokers for poorer farmers.

However, traditional landowners are simultaneously reporting that they are worse off than before. This is reportedly due to an increase in labour costs. Landlords were previously able to employ bonded labourers or pay workers on a biannual basis, but they now have to pay casual wage labourers in cash, which is reducing their profits. Traditional landlords have been less dynamic and innovative compared to the rising class of capitalist farmers from the traditional peasant caste.

4.2 Changes to traditional artisans/service providers

The terms artisans/service providers refers to the work of blacksmiths, goldsmiths, carpenters, tailors, barbers, water carriers, basket makers, pot makers and washermen etc. With the exception of washermen and basket makers, these groups are from the OBC community. Their work was traditionally transacted through the *jajmani* arrangement, through which they received payment in kind on a biannual basis for services provided throughout the year. Livelihoods were more secure as annual income was predictable and *kisani* relationships were passed down the generations. Whilst such a system is less conducive to competition and innovation, it provided considerable livelihood security.

The gap between the rich and poor of artisan/service providers has increased. Incomes have increased amongst the few households who have been able to modernise. For others, structural change has led to a fall in the importance of income from traditional occupations and increased their dependence on income from agriculture, and for the poorest households, income from wage labour. There has been a significant fall in the profitability of traditional services and artisanal crafts for the following reasons:

- A disproportionate increase in the caste population relative to a stagnant or falling demand. This has led to a division of *kisanis* and increased the amount of competition in business. For example, in the tailoring community, the previous generation consisted of only three brothers

who were responsible for all the tailoring work in Sadangarh. In the current generation, there are fifteen male family members all trying to do the caste occupation within the village.

- Competition from ready-made goods has replaced the demand for previously hand-made items such as clothes, jewellery and kitchen implements.
- Changes to the terms of exchange from the *jajmani* system to informal business arrangements. People are still persisting in their traditional caste occupation, but under the new system of exchange. Therefore, returns have become less predictable. *Kisanis* still dominate exchange for blacksmiths and there is some limited *kisani* work for washermen, tailors, barbers and carpenters. The rest remaining service work is provided on the free market.
- Outdated skills/services, e.g. water carrying/washing services are practically obsolete as the rich now have pipes in their homes. Agricultural implements have changed, reducing demand for the servicing and provision of wooden or metal tools.
- The rich of Sadangarh have become more fashion conscious and therefore prefer to purchase modern items from Tikamgarh. The frequency with which people are travelling to Tikamgarh has also increased due to increased incomes and improved bus services.
- A government scheme to provide sewing machines for women has further reduced the demand for tailoring services.
- Some service providers have been able to modernise their businesses, by selling manufactured goods, setting up barbershops and adapting their skills by training outside the village, e.g. in motor repair for former blacksmiths.

4.3 Wage labour

Overall, the relative importance of wage labour in the livelihood portfolio has increased. It is a key mechanism through which the incidence of chronic poverty has been reduced and food security improved. However, wage labour is still a sign of poverty and insecurity. Improvements in food security from wage labour have been due to the high returns from urban outmigration. Other wage labourers are less food secure.

4.3.1 Wage labour within Villanpur

In Villanpur, 80% of households are engaged in wage labour, including some medium-large farmers, who are obtaining food year-round from agriculture. For the majority of households in the village, earnings from wage labour and agriculture are similar and the majority of households are participating in wage labour, to meet regular household expenditure.

Generally, it is men who participate in wage labour, whilst the women take care of agriculture on a day-to-day basis. Women participate less frequently in wage labour – they see it as lacking in prestige and wage rates are 30% lower than men. However, some women travel to other areas of Madhya Pradesh for paddy harvesting, as rates are the same for both men and women. Within the village, men participate more in non-agricultural wage labour, whilst some women are involved in agricultural wage labour.

One of the most important impacts of structural change in Villanpur is the increased availability of non-agricultural wage labour, in the nearby town. People from the town are spending more on house construction and the government has invested in local infrastructure, in particular road building.

At present, wage labour is available on average for 2–3 days per week within the town adjacent to Villanpur. Wage rates are typically Rs 30 per day for men and Rs 20 for women or young adults. The wage rate is the same for agricultural and non-agricultural wage labour. Workers generally wait at the bus stand in the town to find work, although previously more wage labour was done through established relationships. However, reputation still plays an important role in the search for wage labour.

Wage labour often takes precedence over agricultural work and sharecropping, except during planting and harvesting. Participation is at a peak during the festival of *Divali*, for house painting and the summer months, for construction work, when there is little agricultural work to be carried out.

There is little agricultural work available for the villagers of Villanpur. This is because local landowners employ people living closer to their agricultural fields, rather than employing other villagers from Villanpur or wage labourers from the bus stand.

4.3.2 *Outmigration from Villanpur*

With the exception of agricultural migration to other areas of MP for paddy harvesting, outmigration is a perennial, if often erratic, source of income. Villagers tend to go outside the district, to work under the influence of other community members or the arrival of contractors to the village. The most popular destinations for wage labour are towns and cities near to Villanpur, with a few travelling to Delhi. However, only 16% of households have carried out wage labour outside the district.

Wage labourers stay out for a maximum of one or two months at a time. Often, workers leave the village in groups or with contractors. However, many are returning after their first period of work because they are unable to find further employment opportunities and the relative search costs are high. Workers are often dependent on finding employment from public locations such as train stations. In addition many workers have been cheated and therefore villagers are more reluctant to go outside. Generally due to the lack of previous exposure to the outside world and illiteracy, villagers are more vulnerable and less able to fend for themselves or to find well-paid opportunities.

Migrant labourers from Villanpur have therefore been in a weaker position relative to other villagers and less able to capitalise on new economic opportunities as wage labourers. Whether they really want to is another matter, as people are much happier staying in the safe and secure village environment. Additionally, most households are engaged in agriculture and therefore are economically tied to the village.

4.3.3 *Wage labour within Sadangarh*

There are two distinct groups of households involved in wage labour. Firstly, those who have traditionally been employed as wage labourers for large landowners. They are mainly from the SC community. Participation in wage labour has also increased due to the scheduled demise or decline of their traditional caste occupations – leatherwork, cloth weaving, basket making, animal rearing. The fall in the importance of traditional caste occupations for SCs has not only been caused by decreased viability, but also due to the socially unacceptable nature of the caste occupations, from which the caste has wanted to dissociate itself. Due to the increased availability of wage labour inside and outside the village, SCs have been able to choose other more socially acceptable occupations.

The second group involved in wage labour are those from OBC peasants and artisans/service providing households, who have become poorer. Some have entered wage labour due to a decline in traditional artisan/service occupations, whilst others from traditional agricultural backgrounds have increased their participation in wage labour due to reduced landholding and increased household size. For this group, wage labour is a secondary or tertiary source of income and an indicator of increasing impoverishment and vulnerability. It is a coping strategy to smooth out consumption patterns and additional expenses such as marriage. Wage labour is mainly agricultural and confined to the district.

Whilst many SC households have migrated from the village, traditional peasants and some artisans/service providers are carrying out most of the wage labour within the village. There is sufficient availability of wage labour within the village, although relationships are casual and demand is seasonal. Participation in wage labour can provide a regular supplement to income. There is work available in construction and agricultural wage labour. Snowball tactics are often used by large peasant farmers to recruit workers, asking one fellow caste member to find other labourers on their behalf. In contrast, construction work is based more on reputation.

4.3.4 Outmigration from Sadangarh

Agricultural outmigration

The most popular destination for agricultural migration is Bhind (MP) for paddy harvesting. However, villagers are travelling to other destinations in the State at different times in the year for mustard or wheat work. Work is often for contractors who come to the village, although some villagers have established regular contact with certain farmers. Whilst paddy harvesting is a regular source of income, participation in other agricultural migration tends to be sporadic and is less widespread.

Migration for paddy harvesting is a measure of food insecurity, as only the poorest households migrate. For many households, it is not a coping strategy but a regular source of food income. Women as well as men are equally responsible for doing wage labour. It is often women who travel for paddy harvesting because it is the only occupation that provides equal returns for both men and women. Labourers receive 25% of the paddy harvested.

Urban outmigration

The SC and ST communities are the main caste groups engaged heavily in wage labour outside the village. Many individuals and households have been leaving the village for significant periods of time, to work in large urban centres, in brick factories and in Delhi as labourers on construction sites and railways, where wage rates can be as high as Rs 100 per day. This practice has been occurring since at least the 1950s. Unlike in Villanpur, villagers from Sadangarh have formed important networks to find wage labour and therefore search costs are much lower. Initial migration of households is usually in response to a shock, if a large debt has been incurred, but continued migration has become part of an accumulation strategy, for agricultural investment.

Apart from the obvious economic benefits of urban outmigration, there are other less tangible benefits, which should be considered. Exposure to the outside world changes the perceptions of villagers. It serves as an education and gives people the opportunity to share ideas and mix with other people of different areas and status. The experience makes people more worldly-wise, determined and ambitious. Because the work is unpleasant, it also makes households more focused on their strategy for survival, to work intensely to achieve a goal. Generally it is an empowering experience, when villagers return to Sadangarh. Workers return to the village with their hard-earned money, knowledge and tales of the city, to share with fellow villagers.

On the negative side, urban outmigration is disruptive for the education of children. There are no formal facilities and children end up helping their parents or playing by the roadside. In addition, conditions are often extremely harsh and many workers have suffered accidents, which have left them permanently disabled and unable to work. Little or no compensation is received and this negates the benefits to livelihoods achieved through migration.

Although there is some participation in the labour market in Tikamgarh, it is carried out by OBC peasants, normally when there is a dearth of wage labour in the village. Wage rates in Tikamgarh are higher at Rs 50, compared to Rs 30 in the village. OBCs do not like to work outside the village as labourers, for reasons of pride and also the impact that participation has on other livelihood options.

4.4 Animal herding

Most households do not keep animals apart from cows or buffaloes for home milk consumption or bullocks to help with agriculture. A few OBC peasant farmers are selling surplus milk.

Only 3% of the population of Sadangarh are herding animals as their primary source of income. Goats are most often kept because the costs involved are less than for other livestock. Animal herding is in part a lifestyle choice rather than an economically driven decision. It involves less hard work than agriculture or labour. Families drift into and out of animal herding when other livelihood choices have failed. In addition, many traditional herders have left the occupation to concentrate on agriculture and migration. Animals are a highly liquid asset and it is easy for families to deplete their stocks in times of distress. It is therefore easier for herders to move into a permanent state of impoverishment following short periods of distress. Herding is a risky livelihood option as goats are vulnerable in conditions of extreme heat and also prone to disease that downward livelihood mobility is common.

The large-scale herding of goats is no longer possible due to the depletion of common grazing lands. Herders report that it is only possible to keep up to a maximum of ten goats. The cost of rearing has increased because it is sometimes necessary to buy grass for the goats to eat. However, the sale price of goats has increased and during winter goats can fetch up to Rs 1,000. Small herders are losing clients, as traders prefer to buy animals from those with a large stock. There is little opportunity to look after the goats of others as most care for their own. Often goat herding is adopted as a livelihood option, if goats are given as part of a dowry.

4.5 Water-based activities in Villanpur (fishing and water chestnut cultivation)

Only 9% of households are now engaged in water-based activities, compared with figures for the previous two generations of 95% and 87% respectively. Even under government control, fishing rights to the pond were restricted. However, it was possible to pay Rs 10 to obtain an annual licence. In 1994 the rights of access to the pond were handed over to a private contractor. It is now only possible to fish during the monsoon and when permitted to do so by the contractor. The rate for fish caught is only Rs 6 per kilo and therefore on a good day it is only possible to earn around Rs 18. Fishing is still carried out to a limited extent, but most of the fish caught is for home consumption. There are ten villagers on the fishing committee, who are involved in the dry fish business. They are generally the more affluent farmers of the village. The season for fish drying takes place one month after the end of the monsoon. Most of the fish are sold in a nearby village. The contractor takes one half of the profits. Income from the dry fish business for these households is only around Rs 800 per season.

4.6 Share cropping

There are fewer good opportunities for share cropping. This is due to the fact that increased factor inputs for modern agriculture make landowners more reluctant to give away one third of their crop. Sharecropping still has the distinct advantage over the employment of wage labourers because the sharecroppers have an interest in the productivity of the agriculture.

Sharecropping is the primary occupation of the landless in Villanpur and an important source of income for small farmers from the peasant caste in Sadangarh. Preference is given to sharecropping partners who farm neighbouring plots. Many marginal farmers also take land on a sharecropping basis, but these are less profitable opportunities, within their own sub-caste group. Access to good sharecropping opportunities is also dependent on the reputation of the individual for hard work. The ownership of large bullocks is a necessary entry requirement for sharecropping opportunities on irrigated land.

Villagers generally approach landowners if they are interested in sharecropping opportunities. There are few good sharecropping opportunities available to the population of Villanpur because they do not own animals and the fact that they do not have a lot of agricultural experience, knowledge or connections.

Generally the land is divided into three equal parts, of which one share is for the labour and the others for land and irrigation. The sharecroppers then subdivide the produce amongst the different households. Sharecropping is an attractive livelihood option because the risk of investment is not borne by the sharecropping partner.

Sharecropping is currently a less attractive livelihood option than in the past. People prefer to undertake wage labour for cash income if and when required, and taking on responsibility for others' land restricts migration. Landed villagers are not seeking out sharecropping opportunities to increase livelihood security in great numbers.

Good sharecropping opportunities can be an important learning experience for villagers, because often they are working with many different farmers, using more expensive factor inputs and learning different techniques.

4.7 Business and moneylending in Sadangarh

Business has become an increasingly popular livelihood option in recent years. Although more shops have opened up in Sadangarh and competition has increased significantly, the number of customers has also increased along with market prices, which have improved margins. Needs and tastes have changed as people have had more contact outside the village. Less than a decade ago it was only possible to sell essential grocery items, such as salt, oil, spices, etc, but many grocery shops have now changed into general stores selling hardware goods, cloth, fashion accessories and stationery. Cash flow has also increased as more people have regular salaries or income from wage labour.

However, many businesses come and go in Sadangarh, as shopkeepers have to attract customers by providing them with credit, which causes cash flow problems for businesses. It is mainly the Jain sub-caste who have been successful running general stores, due to their experience in moneylending and business. As a development indicator, Sadangarh had its first public telephone installed during the research.

The money lending market has become less profitable. Previously people only used to borrow from moneylenders, but state banks have been offering interest-free loans for the first year and other initiatives such as the IRDP.⁹ This has led to reductions in the interest rates offered by local moneylenders as they try to compete for business. Therefore, some moneylenders have invested spare capital in grocery stores and other small enterprises. Additionally, people have come to trust banks more than moneylenders because there is less risk of losing land if they default on a loan.

Generally, the monetisation of the economy has led to more profitable and secure businesses as success is less dependent on the quality of the harvest and shop owners sell fewer goods on credit.

⁹ The IRDP is a government development programme, which provides subsidised loans for business 'start up'.

5 Households, Livelihoods and Trajectories

The following section analyses the patterns and determinants of livelihood trajectories, to identify the households that have won or lost under the influence of structural change and the factors leading to upward or downward socio-economic mobility. The section begins by analysing the nature of diversification within the village, which is a key indicator of upward and downward mobility. Descriptions are illustrated by examples of different sub-caste groups and case studies to draw together the dominant patterns in livelihood trajectories.

5.1 Dynamics of diversification

Diversification is an important analytical tool to monitor livelihood and socio-economic mobility. Households rarely drop an activity completely, but will gradually take up new activities or slowly reduce involvement in other activities in response to short-term shocks or longer-term trends. Livelihood changes evolve slowly over time.

Increased labour market participation is often a response to a short-term shock. However, such responses often influence future behaviour over the longer term, as households become accustomed to income from the additional source. Participation is more widespread because labourers receive cash income. Windfalls such as the land reform act also influence diversification; however, diversification is evolutionary, not immediate. Sustainable agriculture requires a significant investment and therefore rich and poor households alike will first accumulate resources in other activities to invest in agriculture, rather than immediately borrowing large sums to start farming. Even when agriculture is providing a steady income, households often choose to continue with other activities to make livelihoods more secure. Such diversification leads to an increased sense of security.

5.1.1 *Diversification as opportunity*

For the most affluent households, diversification is happening as a result of an enhanced opportunity set in the new economy. Not only have these households had capital to invest, but they have also had previous experience of the business environment, which has provided them with the necessary skills. These factors have influenced their attitude to risk and enabled them to take advantage of new opportunities. In addition, they have been able to spread risk and gain income from different sources, which has added to livelihood security.

The most important examples of upward socio-economic mobility through portfolio diversification over the last fifteen years are given below.

1. Traditional farmers who are running agriculture as a business – managing income flows and generating surplus, playing the market, purchasing produce from other farmers, assessing risks and returns, hiring out and repairing agricultural equipment.
2. The Sahu community (oil extractors) who have adapted their skills and knowledge from their traditional caste occupation to found a ‘new caste occupation’ – the ice cream business.
3. The Jain community who have traditionally been involved in business. They have become more educated and have moved into service jobs as well as continuing with business interests.
4. Artisans such as blacksmiths or goldsmiths, who have modernised their businesses and adapted traditional skills to provide new products and services. These examples are atypical and are from the most affluent households of their community groups.

In Villanpur, by contrast, diversification is a necessity to meet household security. Although it represents an expanded opportunity set, it is the only means by which livelihood security can be increased. Most households within Villanpur seek to maximise the amount of wage labour. There are few other activities or *ad hoc* strategies that villagers within Villanpur can use as an additional coping strategy. Therefore, reduced consumption of food is one of the few variables which villagers can use to control income and expenditure deficits.

5.1.2 *Diversification as a coping mechanism*

Diversification is also occurring at the bottom of the socio-economic ladder. It is the result of an inability to secure income from one or two traditional sources and an indication of downward mobility. Diversification is initially a coping mechanism to supplement income from traditional sources. Wage labour is the most important way households are compensating for income deficits. For some households this continual search for work within the village or surrounding area is indicative of a constant struggle for survival and has opportunity costs for the household's own agriculture and/or traditional occupation. Therefore participation in the local labour market and immediate cash income may be of short-term benefit but it can inhibit the long-term productive possibilities of the craft/service occupation or agriculture. Local wage labour can make an erratic contribution to household income and/or help to smooth the income from traditional sources. It is not part of an established long-term strategy or livelihood portfolio; rather, it is done if and when required.

When examining downward socio-economic mobility through a structural change framework in Sadangarh, the most important examples of diversification into wage labour have been the result of reduced income from traditional services/crafts and peasant households, who have less land per capita. The most important examples by livelihood class are given below.

1. Animal herders who are no longer able to secure income from their traditional occupation/carpenters who have recently entered the occupation.
2. Agricultural labourers who have not migrated out (generally from SC communities) – cloth/leather workers, thieves, basket makers, goat herders and shepherds. Goat herders and basket makers are still partially involved in their traditional occupation and therefore this affects their spatial mobility.
3. Traditional service castes (e.g. washermen and water carriers) and skilled workers (e.g. tailors, barbers, blacksmiths, carpenters and potters), whose trades are less in demand or obsolete.
4. Traditional agriculturalists who have been forced into wage labour because of the inheritance of subdivided landholdings and large family size.

5.2 **Household livelihood portfolios by sub-caste and livelihood strategy**

The following section gives a flavour of the different livelihood groups evident in Sadangarh and Villanpur (see Chapter 6 for further details on Villanpur). Sub-caste is the main factor influencing livelihood occupations, but there are significant gaps between the rich and poor of the same caste groups. Therefore in some cases, livelihood portfolios of a range of households from different caste groups have been analysed together because these households exhibit similar patterns of behaviour.

Socio-economic mobility within Villanpur is fairly static. The most important guide to the wellbeing of households is determined by the size of land encroached in previous generations. Income from some households is higher because of increased participation in wage labour. Such

behaviour can be attributed to the preferences and hard work of the individual, rather than any particular advantage. Refer back to Table 4 and Table 5 for further details of different caste groups.

5.2.1 General caste: Brahmans and Jains

Together Brahmans and Jains account for 11% of the population of Sadangarh. They are at the top of the non-agricultural class/caste hierarchy. For generations, this group has been part of the wealthy upper class in the village.

Both groups continue to be successful and are better off than their forefathers. Their success is in part due to their ancestry – they have inherited businesses, agriculture, government service jobs, and strong political and economic connections both inside and outside the village. They are well educated and the current generations are receiving tertiary level education. Most Jains and Brahmans benefited from the land-ceiling act.

The role of women is generally restricted to the household, but many women are being educated to the same level as their male counterparts and therefore their economic activity is increasing. Some have entered government service jobs and are teaching within the village. One woman, originally from outside Sadangarh is even running her own stationery shop. The economic activity of women is determined by the levels of education and the personal will of the individual to break down traditional boundaries.

In response to a decline in the caste occupation Brahmans have concentrated in agriculture and service, while Jains have been involved in business. However, in recent years Jains have become more active in government service jobs whilst Brahmans have diversified into business. Personal preference and expected returns have been the key decision-making drivers.

Brahmans

The majority of Brahmans have maintained their positions at the top of the economic ladder in Sadangarh. Traditionally, Brahmans were involved in the caste occupation as priests, in the service of the land-owning families, performing prayers and ceremonies. As such, they were treated with great respect and given many privileges within the village. Brahmans have been well positioned to take advantage of increased government intervention in the village and are one of the key groups who have benefited from increased access to land and government service jobs. Brahmans are primarily employed in government service jobs and petty business. Agricultural income continues to be important, although farming land directly is not a socially acceptable practice. They have strong social and political connections, both inside and outside the village, which is an important social safety net.

The gap between rich and poor Brahmans is significant. As Brahmans have moved away from their traditional occupation as priests, some have been more successful than others due to superior social and political connections. Those with influential patrons have done better, whilst those less connected or relatively new to the village depend on their own agriculture. The case study below illustrates some of the privileges many Brahmans enjoy.

Box 2 Case study: Balchandra Singh

Balchandra is a member of one of the most influential families in Sadangarh. His grandfather worked as a priest in the temples of Tikamgarh and during this time he developed good relations with the feudal lord. The *Raja* invited his family to live in Sadangarh, to work as the *Raja's* personal revenue collector. The *Raja* provided his grandfather with a house and cattle to meet the family's milk requirements.

His father worked as a teacher in the village and when a post office branch was opened up in 1954, his father was given the position. He maintained the position of postmaster throughout his lifetime and when he retired the position passed to Balchandra.

He has four brothers. One brother works as a priest in Uttar Pradesh, whilst two run businesses within Sadangarh – one owns a general store and hires out marquees for weddings and the other brother runs the petrol pump. His eldest brother works as a clerk in the post office in Tikamgarh.

The previous *Raja* helped his family to secure a property in the centre of Sadangarh, through a government scheme. The businesses owned by his brothers are all run from this property, which is the prime retail location in the village, beside the bus stand.

Ten years ago he started working as the village priest, maintaining the temple located in a field on the outskirts of Sadangarh. The position of priest is open to anyone from the Brahman community. It is auctioned off every year on an open bidding basis. The lease normally goes for around Rs 2,500. In return for the performance of prayers, the priest receives all the donations left by people – in cash and kind. Income from this amounts to around Rs 10,000 annually. He also received five acres of land under the land-ceiling act, which is farmed by an employee.

Balchandra was diagnosed as suffering from throat cancer six years ago. He received Rs 10,000 in subsidy from the government to help with the cost. His brother (a post office clerk in Tikamgarh) helped him to get the subsidy along with the help of a local politician, who is the present *Raja's* brother-in-law. The rest of the treatment he paid for with a loan from the *Raja*. He did not have to pay interest on the loan for treatment. When his wife died, he was also given a gift of Rs 5,000 by the *Raja*.

Jains

The Jains are the most dynamic caste group in Sadangarh. Historically, they have been engaged in business and money lending and have been present in the village for many generations. Jains have focused their activities on different business interests and are less politically active than Brahmans. 90% of Jains are involved in some kind of business. About half of all Jains are landless, but this has not undermined their relatively good economic position. Traditional businesses include grain trading, grocery stores and money lending. However, Jains are increasingly involved in new businesses, such as motor repairs, hardware stores and the sale of petrol. Because of a strong historical business background, their entrepreneurial interests have always been diverse and expansion is based on the likely returns from different ventures. Competition between Jains and Brahmans has increased in recent years as both try to expand their petty businesses in the retail sector, although Jains have been more successful in business in part because they have dominated the wholesale market.

In the last fifteen years Jains have expanded their business interests outside Sadangarh by opening up businesses in the surrounding villages and in the district headquarters of Tikamgarh, in response to increased competition within the village. The number of Jains with jobs in government service outside the village has also increased. This is due to improved literacy rates.

5.2.2 Diversifiers and accumulators

There have been a significant number of households from different caste groups who have taken advantage of new business opportunities. Coming primarily from the OBC group, these households have been enterprising, without relying on connections with the elite of the village. As part of an accumulation strategy, they have re-invested profits from agriculture into new businesses or trades.

Households are from agricultural communities, the Sahu caste (oil extractors) and the Adivasis (STs). As caste groups, the Adivasis and the Sahus have outperformed other caste groups. Their success has been widespread. The STs have always been marginalised from day-to-day life in the village, but the influence of government reservation policies, outmigration and grass roots organisations such as Ekta Parisad¹⁰ have raised political awareness amongst this group. Outmigration has also significantly improved their life skills and knowledge, for example in issues related to contraception. STs are engaged in profitable agriculture, business and government service. Levels of education are higher compared to other low caste communities.

A few households from the peasant vegetable growing community (Kushwahas) have expanded their traditional vegetable business to trade in agricultural produce from the wholesale markets and have acted as brokers for local farmers. Some Lodhis have learnt motor repairs, welding and driving. However, these examples are atypical of these sub-caste groups.

The households that have diversified and prospered have not necessarily had particularly advantageous starting positions, although they come from households who have enjoyed some degree of economic security. Examples of upward mobility are characterised by strong-willed individuals, who have worked hard to learn new skills and to think beyond their traditional occupations. They have maximised and created social connections and been resourceful in taking advantage of opportunities to learn new skills. They have also been determined to work hard and improve their wellbeing beyond food security. They have made sacrifices to learn new skills and have worked as apprentices outside Sadangarh for considerable periods of time, earning very low wages, if any at all. Such training therefore represents a significant investment for other family members in terms of the opportunity cost of their labour. Further details regarding the Sahu caste are given below.

OBCs: Sahus

The Sahu sub-caste is the most enterprising OBC group in Sadangarh. Over the generations they have secured their livelihoods from agriculture and the caste occupation of oil extraction. The intensification of agriculture and income from the caste occupation has led to diversification into other areas of business, namely money lending and flour grinding.

The caste occupation is less profitable now and carried out by only a couple of households. This is in part due to increased electricity prices, increased competition and large capital investment in machines, which has reduced the number of households involved in the traditional occupation. However, the skills learnt from the caste occupation have been used in other areas of business and in particular the ice cream trade.

The Sahu caste is investing significant amounts in agriculture and it is providing year-round food for most families. Many households have also diversified into vegetable cultivation. Vegetable production is adding to incomes and the community is also share cropping in significant amounts of land, because they have a good reputation for hard work.

Historically, women of the Sahu community were involved in the selling of oil, moving from village to village. They play an important economic role, supporting men in the traditional caste occupation, agriculture, vegetable cultivation and selling. The Sahu community is not particularly well educated. Previous generations were illiterate and now many study until 8th class (14 years old). Sahus are not particularly socially and politically well connected, but they are particularly industrious and enterprising.

¹⁰ An organisation, which has been instrumental in campaigning for land rights for the ST community. With the help of this organisation, the ST community has launched legal proceedings against the *Raja*, over a plot of disputed land.

Box 3 Case study: The ice cream trade

The main livelihood shift for the Sahu caste is the diversification into what others and they themselves term their 'new caste occupation' of selling ice cream. The business started over twenty years ago when one member of the community first went out with his brother-in-law to different areas of Madhya Pradesh during the summer months. Seeing how profitable it was, he started his own business and invested in the necessary freezing equipment and ice cream carts. Each year he employed more and more people to help him with his business. Having learnt the skills, these employees started up on their own and each one employed more people to assist them. Some Sahus have diversified into sweet selling at other times of the year.

The business expanded throughout the community and almost all households have at least one member who goes out to make and sell ice cream, between the months of March and July, coinciding with the agricultural lean season. Most travel to the same destination in the Chhattisgarh State. Those running their own business typically make Rs 7,000 profit per season. An initial investment of Rs 1,000 is needed to start the business off and it costs about Rs 2,000 per season to buy raw materials. The demand for ice cream seems to be growing year on year and now the Sahu community are employing people from different castes as assistants. Helpers are paid around Rs 1,000 for the season on top of their living allowance. Other communities now involved in the ice cream business are Kushwahas, Lodhis and Musalmen.

Profits from the ice cream trade have primarily been invested in agriculture, petty businesses such as vegetable selling, and money lending. The Sahu caste has also been purchasing land and some now stay in the village to concentrate on agriculture instead of migrating to sell ice cream.

5.2.3 Large landowners

Over 80% of the land in Sadangarh is owned by a small number of large landowners. This group is divided between the historically dominant landlords from general caste groups (Thakurs and Khares) and farmers from traditional peasant castes (Lodhis and Kushwahas). Large land-owning households have power and influence in the village but it is mainly historic landlords (Thakurs and Khares) who are involved in village politics, whereas new capitalist farmers (Lodhis and Kushwahas) focus entirely on agricultural and business matters.

Historically dominant landlords do not carry out agriculture directly but manage labourers or sharecroppers. There has been a fall in the availability of wage labourers, due to the near-eradication of bonded labour, land redistribution and migration. Landlords complain that their agriculture is less profitable because they have to employ sharecropping partners or pay daily wages. Additionally, legislation has made it more difficult for them to increase the size of their land holding. Any surpluses tend to be invested in non-farm ventures, but they have been less successful than Brahmans or Jains. Learning to manage cash flow has been the most significant problem.

General caste landowners are literate and those children who are inclined to pursue further study tend to do so. As a result the next generation has different aspirations for livelihoods outside agriculture. However traditional agriculture will still be the main income source for at least one male offspring. General caste women are not involved in agriculture at all. Their duties are restricted to the household.

5.2.4 Peasant farmers (Lodhis and Kushwahas)

Together, Kushwahas and Lodhis represent 30% of the population of Sadangarh. They are peasant farmers who have introduced modern farming methods and continue to depend on agriculture and vegetable cultivation for their income. There are significant differences in the performance of households from the peasant community, but compared to other sub-caste groups their overall position within the economic hierarchy is unchanged. The main livelihood objective for members of the peasant communities is to secure enough food/income from agriculture. Generally only

households who have secured income from agriculture diversify into other businesses. Diversification into other businesses is the result of surplus labour or agricultural produce and an indication of greater livelihood security.

The households that have not diversified into a new trade, such as welding, motor repairs, driving or ice cream, are fairly stagnant. They are securing year-round food and have invested in modern farming techniques, but the increased productivity is commensurate to increases in population. Some households are engaged in sharecropping. Kushwahas and Lodhis are able to take advantage of some of the best sharecropping opportunities in Sadangarh, because of their reputation as good farmers.

The Kushwaha community is traditionally known for their vegetable cultivation. The families who have been more successful have good profits from vegetable growth. This is the only source of upward mobility in the group and is explained by the entrepreneurial drive of the individual, to act as a broker for small farmers. In most families, vegetable selling has traditionally been done by women, but male involvement has increased the scope of the business. Generally peasant farmers' skills sets are restricted to agriculture and there are few examples of households who have accumulated more land or tried to grow their agricultural business. Education is not important for this community and school attendance is erratic.

Cash income is earned from vegetable production, although farmers have also grown some cash crops such as soya bean. Kushwahas tend to concentrate their agriculture on family food provision instead of increasing vegetable production, which may be a more risky strategy, but potentially has more rewards. In contrast, Lodhis have been more dynamic and some have secured income from a skilled/business source, instead of depending on wage labour, which is an important coping strategy. Even as recently as seven years ago the *Raja* employed people from the Ahirwar (SC) community, but now it is mainly Kushwahas who work for him. The increased dependence on wage labour, is due to population increases, as inherited land becomes sub-divided.

Both Lodhis and Kushwahas are members of the co-operative society. However many small farmers tend to default on loans, which excludes them from further access to fertilisers and seeds. Instead, households purchase seeds from large farmers or grow their own.

There are three trajectories amongst this group.

1. New landlords who are doing well from agriculture and agricultural related services
2. Agriculturalists who are getting year-round food from agriculture and diversifying into agricultural/non-agricultural services, e.g. motor repairs, vegetable or milk selling, ice cream, driving. Diversification has been due to the personal preference of individuals, although in the long run, it has added important amounts to family incomes. Generally it is the younger generation who have diversified and as a secondary job they are supporting their family in agriculture as part of a shared household strategy. This group has had more advantageous resources than households who have been downwardly mobile or stagnant livelihood trajectories.
3. Agriculturalists who are receiving 6–12 months' income from own agriculture are the same or worse off than in previous years. Households are becoming more dependent on wage labour and the returns from vegetables. In addition, some Lodhis are selling surplus milk to supplement their income.

Capitalist farmers

Peasant landlords have emerged from families who inherited a significant amount of land, but have worked hard to accumulate and are running agriculture as a successful business – managing stocks

and income flows, purchasing land at cheap rates, buying the agricultural produce of others, hiring out tractors, threshers and pumps. Although general caste landlords are involved in some such activities it is not to the same extent or profitability compared to these peasant farmers.

Few of these new landlords are educated although their children, if interested, are able to study to whatever level desired. The role of women is pivotal in the day-to-day running of agriculture. They are involved in all aspects apart from ploughing and machinery-related work. Men are the decision-makers, whilst women work as agricultural labourers in addition to their household work.

Modern agriculture requires a large capital investment for greater returns. The most successful capitalist farmers are emerging from shared households. Instead of dividing up agricultural land between male offspring, they have run agriculture jointly, therefore benefiting from economies of scale and scope. There is also a minimum efficient scale for modern equipment and large capital investments are needed, so a shared strategy is more efficient. The excess productive capacity for capital has provided a profitable new revenue source from the leasing out of tractors, pumps and threshers. The case study below illustrates the importance of a shared strategy to success. It shows how important business management skills are and resources to increase returns from agriculture and agri-related business.

Box 4 Case study: Ratanlal Lodhi

Ratanlal Lodhi's father had fifteen acres of land, which he accumulated throughout his lifetime. The family is the largest combined household in Sadangarh – there are 30 people who live and cook together. The family is very closely knit and everything is completely shared. They believe this to be an important factor in their success. One of his brothers is educated to degree level. Ratanlal focuses on running the agricultural side of the business, whilst his brother expands their income from trade and auxiliary services. Their business interests are listed below.

Agriculture: All three brothers are involved in agriculture. They are continually adding to their landholding. They generally buy land if the price is good, from people who need to sell quickly. Other than that, they purchase land, which is close to their field, i.e. it makes sense in terms of irrigation and economies of scale. At present they own around 50 acres of land. They earn a total of Rs 317,000 from crops.

Tractor hire: Tractor hire is charged at Rs 200 per hour. Two years ago he used to rent the tractor out to 70–80 people for marriages as well as farming. People didn't pay, so he now only lends it to five to six households. Annual income from this source is significantly reduced. Previously, it was Rs 60,000; now he makes about Rs 10,000. They saved all the money in advance to buy the tractor.

Milk selling: The family has four buffaloes, which are kept primarily for home milk consumption. However they make around Rs 10,000 per year from selling ghee. Their buffaloes yield twice the amount of milk per day than other farmers due to superior fodder.

Mahua (a local berry): As well as collecting their own *mahua*, they buy the berries from other people in Sadangarh and sell onto the companies with licenses to make the brew. Income from mahua is approximately Rs 21,000.

Buying and selling of crops: If there is any extra money they will use it to buy surplus wheat e.g. Rs 50,000. They will hold onto crops for several months until the price increases.

Motor repair: Ratanlal taught himself how to repair motors. If one of their pumps broke, he used to open the pump to see where the fault lay. As he was the first person to start repairing pumps in Sadangarh he used to charge Rs 500 per day. He has opened up a business in a village 7 km from Sadangarh. There was no-one doing business there and many large Lodhi farmers. His brother's elder son is now looking after that business. Income from motor repairing is around Rs 30,000.

Fertilisers and credit: Ratanlal also lends money and sells fertilisers and seeds to small farmers, but this does not add significantly to income. In particular, they support to farmers from fellow community members and employ mainly Lodhis if and when they need extra labour.

Agricultural supplementors

Many families have become poorer and are doing agricultural wage labour for the first time, due to smaller land holdings and increased population size. 75% of Kushwaha households are engaged in wage labour. Wage labour was initially in the surrounding villages, but members of the Kushwaha community are increasingly travelling to Tikamgarh regularly to find employment due to the higher wage rates. Some families refuse to undertake wage labour in the village because of prestige. Compared to other sub-castes, the outlook of the Kushwahas is more apathetic. They are less resourceful and more risk-averse when it comes to investment decisions about seeds, fertilisers and the introduction of new crops.

Box 5 Case study: Saria Kushwaha

Saria's father died when he was two years old and he was raised by his mother and elder brother. His brother did not allow him to go to school and Saria helped with the family agriculture from the age of five. His father left them with five acres of land, which was divided between himself and his brother as they do not get on. He farms a lot of vegetables and the tomato crop is particularly profitable.

Saria's land is irrigated by a well dug in his father's time. He continually has to invest more money in the well, because the water level continues to go down. This is the most problematic constraint to his agriculture. He keeps seeds aside after each harvest to replant, even though the yields from his own seeds are 50% less than those available from the co-operative society. He does not want to get into debt, in case the crop fails and is reluctant to try out other crops for the same reason.

Two of his sons are doing agricultural and construction wage labour in Sadangarh and the peripheral villages. His son also accompanied a Sahu to sell ice cream, but he came back after a week because he didn't like it. His sons do not work outside the village, because wage labour is available in the village and they prefer to stay at home.

Saria sold one acre of land, because he could not pay back the money that he had borrowed for the purchase of a pump, which was urgently required, because he couldn't irrigate his land. He was already heavily indebted at the time, because of his daughter's marriage.

He has never benefited from a government scheme and thinks any involvement will cause more problems than it is worth. Overall, he describes his life as miserable.

5.2.5 Wage labour and accumulation – Ahirwars (10%)

Outmigration has led to a new class of farmers, from SC/ST communities who are becoming increasingly food secure from their own agriculture. These families are predominantly from the Ahirwar community. Wage labour and outmigration have historically made important contributions to their livelihoods. Some have been able to stop outmigration and wage labour, because they have accumulated sufficient income and can now depend entirely on their own agriculture. The land reform act implemented in the 1970s had a pivotal role in the upward mobility of this group. Instead of immediately farming the land, many households decided to share crop-out the land, so the pattern of migration continued, with households returning to farm their land during monsoon, for paddy. This strategy persisted until the time that they had accumulated enough to invest in irrigation, good seeds and fertilisers. The older generation has since tended to stay in the village to farm the land, whilst their offspring continue to migrate.

Initially, outmigration was part of a strategy to cope with shocks and to provide year-round income in response to a lack of employment opportunities in the village. However, continued participation has been to accumulate in agriculture.

Many other SC communities are travelling outside the village, although they have not been doing this for as long as the Ahirwar community, and have not benefited from the land reform act to the same extent. Those who have accumulated more through a strategy of outmigration have also been

less prone to lifecycle shocks such as death and illness, which have dramatically affected the livelihoods of other households.

Box 6 Case study: Tulsi Ahirwar

Tulsi's family were landless and were forced into wage labour when the caste occupation (the collection of animal skins) was outlawed. His father died when he was ten years old and Tulsi started working at the age of eight, herding animals. He started doing agricultural wage labour soon after and did Share cropping in the *Raja's* field. This is how he learnt about agriculture.

Tulsi has three daughters and he decided to work outside Sadangarh so that he could marry them off. He did wage labour for twenty years in places such as Delhi, Indore, Bhopal and Jhansi. He took his whole family with him. It is now twenty years since he last went out for wage labour.

He was allocated three acres of land under the land-ceiling act. The land was completely barren, so he paid a bribe to the *Patwari* to get a different patch of land, which was of better quality. He also encroached a further two acres of land and again bribed the *Patwari* to get the land registered in his name. When he went away he gave his land to others to do Share cropping, so he could invest properly in agriculture at a later stage.

This long-term strategy and commitment to wage labour has secured the success of his family over the longer term. They are now living as separate households and his son is not interested in agriculture, preferring to work as a wage labourer. When working as a labourer, he had the opportunity to learn masonry. A labour union intervened to recognise masonry as a skilled profession and members now receive Rs 100 per day. His grandson will continue to farm when Tulsi retires whilst his son and daughter-in-law will continue to work as masons.

5.2.6 Rural wage labourers (Villanpur and Sadangarh)

Rural labourers come from households who are landless or relying on a mixture of marginal agriculture and wage labour within the district. Although there is some participation in the labour market in Tikamgarh, this occurs when there is a dearth of wage labour in the village, rather than a regular strategy to receive higher pay. The majority of households from Villanpur are rural wage labourers, equivalent in living standard to the poorest marginal SC farmers in Sadangarh. The relative contribution of wage labour varies from 50–100% of household income.

For SCs and villagers from Villanpur, wage labour has been particularly important as a result of the demise or decline of traditional caste occupations – leather work, cloth weaving, basket making, animal rearing and fishing. Generally, this group has smallholdings of poor quality and wage labour was the primary source of income for their immediate ancestors. They have remained indigent and are no better or worse-off than before – they are still poor and vulnerable. There has been little improvement in living standards, apart from the landless who have benefited under the land reform act.

In the case of Sadangarh, some households have moved into poverty due to lifecycle shocks such as disease, death or increased family size. Often these households do not migrate owing to family circumstances, such as an elderly or infirmed household member. However, most households actively choose not to migrate, because they fear the unknown or do not want to endure harsh conditions. Box 7 illustrates how this group of people who are not exposed to new ideas or experiences do not maximise their resources, but continue to practice what they know.

Box 7 Case study: Munnilal Chadhar

Munnilal's family was working for the Kushwaha community herding cows and buffaloes. They moved out of the traditional occupation when his father encroached one and a half acres of land. Munnilal got the land registered by bribing the *Patwari* 25 years ago. He also applied to get land under the land-ceiling act 30 years ago and was allocated 2 acres, but it was taken away from him when the *Patwari* changed. He does not know why. He has heard that the land-ceiling act will be implemented again and has made another application to the *Sarpanch*, but has not heard anything yet.

He never went to school and during his childhood they survived for several days without food. He started working as a wage labourer when he was twelve years old. He is not farming himself, as he does not have any bullocks for ploughing and does not own any irrigation facility, so the land has been given to other people from the Chadhar community for Share cropping. He doesn't feel confident to borrow a large amount for fear of failure to pay off the debt and he is unable to earn enough money from wage labour to invest in agriculture.

He does not go for wage labour outside the village as he says he is physically weak and so wishes to stay at home. Moreover he does not want to migrate and had never even considered it. His elder son went outside to sell ice cream for a Sahu from whom he had taken a loan for his marriage. He stayed outside for two months and got Rs 700 for selling ice cream. He got sick with fever and then came back. He didn't like the work of selling ice cream standing on the roadside the whole day from morning till evening.

Munnilal also prefers his son to do wage labour in Sadangarh because he is frightened that if his son goes outside, he will fall ill and there will be no one to look after him. In Sadangarh he obtains more wage labour in winter for harvesting for three to four days a week, but in summer gets only two days a week. His wife also does wage labour in Sadangarh and goes to Bhind for paddy harvesting with their elder son and other women of the village. A Punjabi contractor comes to Sadangarh to find workers. She gets two quintals of rice for doing two months' harvesting work.

They get one quintal of wheat from his Share cropped land (sufficient for two months) and four months' food from paddy harvesting. The rest of their income is from wage labour.

5.2.7 OBC artisans/service providers

Generally, members of this category have a reasonable level of livelihood security but there are several groups who have performed better or worse than the others. Most service providers and artisan groups have been involved in agriculture in previous generations, but in recent times it has become a more important source of food. It is not clear how their ancestors inherited land, but few households are landless.

Overall, their livelihood portfolio has shifted to rely more heavily on agriculture, because of reduced income from their caste occupations. Food is grown for household consumption and typically provides enough for six months. They have not invested significantly in agriculture because food is for home consumption. Previously, large landowners carried out agriculture, taking advantage of economies of scale and giving a proportion of their harvest to service providers. Now service providers are spending more time on agriculture, to provide a significant amount of their yearly food for themselves. This is a less efficient use of resources and many traditional artisans are less knowledgeable about modern farming methods and are using cheaper home grown seeds and less fertilisers. The figures contained in the household survey indicate that the yield from their wheat production is on average 40% less than that of the traditional peasant castes. Although there are benefits to the service providers in terms of self-sufficiency, this has not necessarily improved standards of living.

Resources are primarily divided between traditional occupations and agriculture, although there is now more emphasis on agriculture. The investment of time and resources in agriculture, as a safety

net, has possibly reduced the extent to which people have been able to adapt their skills and businesses to changing consumer demand.

Change has led to the adoption of a shared household strategy, whereby some relatives will concentrate on the caste occupation whilst the others will focus on agriculture. This has created an income gap between the richest and poorest members of different households. Those who have specialised in the caste occupation have done better, as other family members are providing agriculture for the household as a whole, without earning cash income.

Livelihood trajectories are based on initial asset endowments, such as the skills, size and prestige of the *kisani* base and personal interest in the caste occupation. These factors account for the main disparities of income between households of the same caste group.

The gap between rich and poor in the same communities is increasing. Those who have been able to adapt their skills to the new environment have survived. However, it has been necessary to learn new skills to survive and acquiring new skills is a significant investment and the initial assets of the household are therefore important. Most people who have learnt their traditional trade or adapted skills outside the village have worked for a significant amount of time for free, receiving only food as payment for periods of up to six months. Often, new skills or apprenticeships are served through relatives. Therefore it is generally those families who had the largest, most prestigious *kisanis*, who have educated their children and they are the ones whose children have received the best training in the traditional occupation and who are most successful in their caste occupation now.

Upward mobility (limited)

'Caste modernisers' are those who have gone outside to learn their skills and adapted their traditional business to the new environment. They have focused on their caste occupation instead of spending more time on agricultural production. Some have had land but instead of farming themselves, they have sharecropped out their land. This intensified strategy to make a success of one business has led to their survival. The most important examples are:

- a) Blacksmiths, tailors and goldsmiths from families with the largest or most prestigious clients who are the most skilled in their occupation. Whilst others have gone into agriculture, for these households it would represent failure and a loss of dignity. These households are well-educated.
- b) Adaptation has often been complemented the sale of manufactured goods, e.g. tailors and ready-made garments, goldsmiths selling jewellery. However, as people are normally used to paying for things on credit, and repaying loans after harvest, cash flow has become an issue for such businesses. Additionally, people travel to Tikamgarh so competition makes business conditions difficult.
- c) Barbers who have set up salons. These salons have been opened up by those with larger *kisanis* and provide a good regular source of income of around Rs 50 per day. The most successful have learnt their caste occupation outside the village and come back to open up salons.
- d) The brewing community, although small, has also altered its caste occupation to open up tea stalls in Sadangarh.

Box 8 Case study: Ganhpat Vishwakarma

Ganhpat is one of the few members of the Lohar community who is engaged in their traditional caste occupation as a blacksmith. He has over 100 *kisanis* and also runs a successful welding business. He inherited 50 *kisanis* from his father's time. Ganhpat has less than one acre of land, which is Share cropped out, as he prefers to spend all his time concentrating on his own business rather than cultivation. Although he had a good *kisani* base, Ganhpat is also more successful than other members of the Lohar community because he has worked hard to learn the trade and improve his skills, by diversifying into welding.

Ganhpat managed to build up his *kisani* base because he developed a good reputation. He was also able to win new clients because others left the caste occupation. He first learnt welding when a member of the Sahu community bought a machine and asked him to operate it. He spent a week learning how to work the machine and from then onwards the Sahu employed him in his welding shop. Eventually the Sahu closed the shop to concentrate on other business interests. Through word of mouth he was offered another job in a neighbouring village. He worked there for several years making iron railings, door frames and household implements. He was able to do the *kisani* work in the morning before 10 am and then get the bus to the other village to work in the shop.

Following this experience Ganhpat felt confident to start up his own business in Sadangarh. He went to see the *Sarpanch* to see if he could get a loan. He had previously done welding work for the *Sarpanch*, so he supported his claim. He took a loan of Rs 20,000. He only needed Rs 15,000 but he kept the extra money in the bank to ensure he didn't fall behind in his repayments. He is unsure whether the loan was through a government scheme or just that the *Sarpanch* helped him to secure the bank loan.

He is able to provide year-round food from his *kisani* work and annually makes Rs 4,000 from his welding business and has many clients from the surrounding villages. The returns from his welding business are less than expected. This is because people do not pay for his services. Many small farmers default on their payments when their harvest is not good. Additionally some general caste people refuse to pay him and use intimidation tactics. His income should be around Rs 10,000 per annum.

Downward mobility

Some traditional artisans who have experienced a fall in demand for their caste occupation are being forced to rely more heavily on wage labour. This wage labour is most often in the village and is both farm and off-farm. Many of the younger generation are not learning their caste occupation from their parents and are therefore forced into wage labour from an early age. Variations in interest in the caste occupation are leading to skill gaps between members of the same household and between members of the same community. Generally, those who have resorted to wage labour have not had sufficient training in their caste occupation, either through lack of interest or lack of knowledge in the previous generation and they have therefore had to depend on agriculture or wage labour. Mobility is downward as they are not concentrating on any one activity, but gaining a little income from each. Most examples are of barbers, tailors and potter communities.

Water carriers (OBC) and washermen (SC)

Neither group has as much land as other artisans. In addition, as part of their traditional service provision, rich households involve them in agricultural work. The importance of agriculture and wage labour has increased with the decline of the caste occupation. They have traditionally been poor and although their standard of living has increased over the last thirty years due to agricultural intensification, increased population sizes are affecting household incomes. They are not going outside for wage labour and mobility in recent years has therefore stagnated. Earnings from the caste occupation are low and this limits investment of resources elsewhere.

Barbers and water carriers were also involved in some food preparation, household chores and family ceremonies as part of their *kisani* arrangement. The demand for servants has fallen, following the installation of water pumps and pipes for domestic water supplies. This has reduced the demand for the services of water carriers, washermen and barbers.

Box 9 Case study: Asharam Rajak

Asharam is a simple but enterprising young man. His father is largely absent due to a conflict between himself and the rest of the Rajak community after the community collectively outlawed their caste occupation as washermen. His father works in Tikamgarh and only returns to the village for one day per month. Asharam started farming with his mother at the age of eleven, but agriculture is not sufficient so he started doing the caste occupation in secret. He undertook wage labour for eight days to earn enough money to buy the materials, and then went round the houses of the upper caste people in search of clients. On average he makes Rs 30 per week.

Asharam also started a music band four or five years ago. All the members of the band are from the Rajak community. He got the idea from his uncle who used to play the flute and learnt to play from a local snake charmer who used to visit the village. The band practised together for one year. At first they made all the instruments themselves, but this was not satisfactory so they had to spend Rs 1,200. They charge Rs 500 for one night and play for lots of different caste groups (mainly OBCs and SCs) during the wedding season. He makes around Rs 4,000 per year from this source. This is the main reason for livelihood security, but most other Rajak households have to depend increasingly on wage labour.

5.2.8 Animal herders

Only 3% of households in Sadangarh are engaged in animal rearing as their primary livelihood option. Goat herders are struggling for food and are often not getting two square meals a day. Some have lost their agricultural land because they have not been farming it properly and it has been encroached. They are unable to register the land in their name because they do not have the money to do so. They earn cash income from rearing the animals of others. Income is also being supplemented by wage labour. This is really the only way that the occupation is viable.

Goat rearing can be a good source of additional income, but as a primary source of food income in either village, it can lead to profound insecurity. Although goat herding in Villanpur affects relatively few households, it is a good source of additional income. Returns are approximately the same as in Sadangarh, but in relation to other livelihood options, but in Sadangarh it is a low return activity. This highlights the subjective nature of the evaluation of livelihood activities and the stark contrast in living standards between the two villages.

Box 10 Case study: Rushmi Chadhar

During Rushmi's grandfather's time there were no goats and her grandfather undertook wage labour, whilst her father was a Share cropper. Goats were introduced into the family as part of her mother's dowry. The family has always been landless. They did apply for land under the land-ceiling act, but were excluded from the list. She is unsure why. From the two goats given as a dowry, they increased the stock. At the moment they have ten goats. It is possible to earn Rs 1,000 from the sale of one goat in wintertime. Every year they sell three or four goats. If a goat dies they can get Rs 50 for the leather. In addition, they earn Rs 360 per annum from the sale of milk and Rs 960 from herding other people's goats. Most people choose to look after their own animals, therefore it is not possible to increase this business. The cost of goat rearing is increasing because they sometimes have to buy grass to feed the goats due to the depletion of common grazing land. Although the price of goats has increased, traders prefer to buy goats from people who are keeping a larger stock so they are losing clients. Keeping goats is much easier than cattle rearing and much less work compared to wage labour or agriculture. These are the main reasons they have chosen it as their livelihood option. They have no interest in doing anything apart from goat rearing and participating in wage labour, when really necessary, as it involves hard work.

5.2.9 The life cycle poor

There are some households whose position on the socio-economic ladder has not been determined by historical factors such as caste and traditional occupation, but by life cycle factors which have

led to their impoverishment. There are four distinct sections of society who have become poor due to these events – the elderly, female-headed households, orphans and nuclear families who have separated households but have not inherited anything from the previous generation. This section briefly looks at the livelihood options available to the socially disadvantaged, in particular the elderly.

The elderly

Those classified here as elderly are not physically fit to be economically active on a regular basis and primarily depend on the help of others for survival. For different reasons these people have been left without social support from kin. Some are receiving benefits, but often it is not sufficient for survival. All are effectively landless as any holding has been sold or lost through encroachment. Activities include begging, making dung cakes and sweeping the agricultural fields for grain following the harvest. The elderly regularly skip meals.

Box 11 Case study: Nonhi Chadhar

Nonhi is an elderly lady of about 60 years old, although she resembles someone much more advanced in years. She is very lame. In the last three years she has lost her husband, her son and daughter-in-law and is now raising her two grandchildren (aged eight and twelve) by herself. She is not fit for wage labour, but gets work mopping people's houses and separating the husks from grains, for which she receives payment in kind. She also picks neem seeds from roadside trees. For 1 kg she gets Rs 1.

She received a widow's pension for two years, but then it stopped. She doesn't know why and has been told that to receive a pension again she needs to pay money. Her neighbours sometimes give her food, but she often doesn't eat. She still has two acres of land and receives a little income from her Share croppers. The land has always been Share cropped out. The family also lost two acres of land to a Jain who promised to dig a well for them. He dug the well and then transferred the land into his name. She was unable to do anything about it.

5.3 Conclusion

Although the economy has experienced considerable structural change, this has not led to a significant re-organisation of the socio-economic hierarchy within the village. Changes to agriculture and land redistribution have increased livelihood security in the majority of households in Sadangarh, but those households who have experienced considerable improvements in wellbeing had previous advantages, particularly in terms of social and financial capital. As such, structural change has exacerbated the gap between the rich and the poor of the village. However, the poorest households have not been affected. Urban migration is the main way that the poorest, lower caste households have escaped poverty, by working hard, accumulating resources and drawing on their experiences of life outside the village, to improve their circumstances within the village. However, this is not a new strategy, but one employed by previous generations. Those who have decided against this strategy, have generally done so for reasons of personal preference or physical incapacity. As such, some have decided to stay poor, but within the safe and familiar environment of the village, as the costs and personal sacrifices to improve livelihood security are significant.

6 Livelihood Coping Strategies

6.1 Household strategies

As noted earlier, household strategies are based on an implicit set of rules, which are affected by pre-existent perceptions and practices. In Sadangarh, with the exception of a few individuals, who have used education as a means of breaking down the extremely hierarchical nature of village life, livelihood strategies follow rigid patterns influenced by community and the actions of previous generations. As such, livelihood strategies are, in the main, socially determined. Different sub-caste groups illustrate similar attitudes and expectations of life and livelihood. Behaviour is most strongly influenced by the success of other community members or in agriculture, the successes or failures of other farmers. The other examples of patterns that break with tradition, are the ice-cream trade and the increasing number of apprentices outside the village. In Villanpur, apart from the modernisation of farming methods and changed access to the lake, livelihoods are not significantly different to that of the previous generation.

Household strategisation is generally based on consensus, as all individual members share the same cultural reference points. Whilst arguments may result over roles, responsibilities and the minutiae of decision-making, the overall strategic aims of households can be thought of as shared, because they are largely determined by the existing economic and social stratification of the village. The ambitions and aims of individuals concur with the socio-economic position of the family and as such they are generally realistic. However, households that tend to pool resources have more competing interests and as such are more dynamic. They have more resources to draw on to cope with adversity and from which to accumulate income.

6.1.1 *Gender, decision-making and hierarchies*

The eldest male tends to dominate decision-making, although this position is passed onto the eldest son, when he becomes economically more important to the household. The involvement of women in decision-making varies considerably. Women from households that have migrated out with their husbands tend to have more influence over economic decisions. Women enjoy autonomy regarding decision-making over the day-to-day running of the household. There is a very rigid hierarchy between women of the same households. The most important source of conflict within households exists between mothers and daughter-in-laws and incessant arguments between women of the same household are the most frequently cited reason for household separation. Daughter-in-laws are often treated like slave labour and given huge responsibilities in agriculture and household chores, such as water carrying. The older matriarchs have experienced the degradation and hard work and now see it as their turn to exert influence over other younger female members of the household. Because women experience autonomy over domestic affairs, less input is made in household economic decision-making, which is accepted by women as a domain beyond their sphere of control.

Labour is a valuable asset for any household. The importance of economically-active household members is particularly important in poorer households who tend to have higher dependency ratios. Although villagers do not explicitly admit to having more children to try to assure their future well-being, there are concerns about future well-being during old age, when people are no longer fit for wage labour, in the absence of formal security nets.

Problems also arise between when the older generation are in control of the family budget, yet it is the younger generation who are supplying cash income, without any autonomous spending power. Even if households do physically separate or divide their living space, household strategies may be

linked to varying degrees. Generally, the younger generation goes out for wage labour, whilst older relatives and women are responsible for family agriculture.

In Villanpur, where community relations are particularly tight-knit, many households have close economic contact and shared resources to utilise labour resources most effectively. Households help each other out with their own agriculture. The trade-off between wage labour versus spending more time on own agriculture is also reduced, because women are mainly responsible for the daily maintenance of plots.

6.1.2 Household strategy objectives in Sadangarh

The overarching objective for the vast majority of households is to secure livelihoods over the longer-term. However, there are exceptions to this rule at different ends of the social spectrum. For those whose livelihoods are well beyond a coping level of security, ambitions change. The rich general caste of Sadangarh wish to see their children well-educated (increasingly to tertiary level), their daughters well-married, to grow enough food for home consumption and expand profitable businesses within the village. In contrast, the young educated men and women of the village aspire to government service jobs in the district headquarters or beyond.

For those households who are reasonably secure, the overall objective is to increase security within current livelihood occupations. However, over the longer-term an important aspiration for the next generation is to obtain a government job, and this is the main reason why some parents encourage their children to continue with study. Government jobs are seen to be the most important route to real livelihood security, although the costs are high, not only in terms of education, but also in terms of pecuniary resources necessary to obtain such a job. To some extent this aspiration is a pipe dream and therefore when other opportunities or shocks occur, formal education is one of the first expenditure which is cut back. Children are also removed from school to take a more active role in productive activities.

6.1.3 Household livelihood strategies in Villanpur

Most households in Villanpur combine own agriculture or Share cropping with local wage labour and sporadic outmigration. There is some regular outmigration for paddy harvesting in Bhind, but this is primarily carried out by women. Subsistence farming is the most important source of food income. This is a significant investment itself as loans are taken to purchase seed and some fertiliser, with returns delayed until harvest. However, on a daily basis, the returns from wage labour are more attractive as they are immediate. Often short-term interests are prioritised over longer-term productive objectives, but it is difficult to estimate the extent to which agricultural productivity is affected by participation in wage labour.

Although wage labour is a second choice relative to own agriculture or Share cropping (for the landless), villagers do not complain about terms or conditions while engaged in wage labour in the vicinity. However, villagers are very vulnerable when they work outside and therefore they are nervous about seeking employment in urban areas. Villagers are not confident enough to leave the village by themselves and no migrant worker has managed to secure regular employment or establish a network from which they can access reliable wage labouring opportunities. This is in complete contrast to the success of villagers from Sadangarh. As such, few labourers are investing a significant amount of time and effort in gaining employment outside the village. The relative naivety and ignorance of the villagers makes it difficult for them to secure work. However, villagers do spend more time in urban employment opportunities, instead of migrating to agricultural hubs within MP. This is because the majority of agricultural work is available when it is most important

for villagers to be carrying out their own harvesting or planting. Contractors do not arrive in the villages at other times of the year. Villagers also prefer to spend time at home near their families and when migrating, they go in large groups, in contrast to individual or household migration in Sadangarh.

6.1.4 Strategies of the poorest households

In both villages, amongst households who are trying to achieve livelihood security, the aspirations of lower caste labourers and agriculturalists are to comfortably grow sufficient crops to meet year-round food requirements and extra-ordinary expenses, without having to leave the village for work or rely on wage labour. This is a reality that many villagers struggle hard to achieve.

In Villanpur, and to a varying degree among the indigent of Sadangarh (herders, marginal farmers and the socially/physically disadvantaged), the objective of sustained livelihood security is not achievable and survival dominates decision-making. In the case of Villanpur and the socially deprived in Sadangarh, there are no sustainable livelihood options available to the poorest households and strategies are *ad hoc*. However, the 'poverty' status of households in Sadangarh does not always drive decision-making. For example, marginal farmers and herders are choosing to stay in the village, even though this reduces the chances of achieving longer-term livelihood security. These households are not employing any strategies to improve their livelihoods over the longer-term.

Even though households aspire to longer-term security, there are obvious impediments and expenses incurred, which mean that shorter-term decisions take precedence. The two main 'shocks' or lifecycle expenses, which disrupt normal behaviour, are medical treatment and the payment of dowries. Although these are events, which can sometimes be anticipated, there is a wide variation in the extent to which families plan for these incidents. The extent households plan for or cope with these expenses is obviously correlated to overall livelihood security, but most households who are able to accumulate a surplus tend to factor-in such extra-ordinary expenses into their budget, instead of spending the surplus on consumption in the short-term.

Relationships with others and the moral economy are the most important longer-term strategies. Other extra-ordinary expenses, which disrupt normal livelihood behaviour are investments in wells and other capital equipment for agriculture and the payment of bribes. Households who were selected for case study analysis have incurred more adversities or have done notably better or worse than normal.

The key strategies which have led to significantly better than normal behaviour as evaluated against sub-caste peers are:

- Shared household strategies for agriculturalists: instead of sub-dividing plots between households, those who have pooled resources have benefited from reduced risk in investment, economies of scale and scope (see Box 4).
- The sharing of costs of capital equipment in agriculture between households, most notably in Villanpur
- Significant investments in education: a few individuals from the OBC/ST communities have received education up to the age of 18 and beyond, and have subsequently been appointed in good teaching positions with high salaries. This has had a significant impact, not only on the household, but their wider family network. The determination of the individual to remain in school has been the most notable factor in determining such behaviour.

- A committed long-term strategy of out-migration: those households who have sent one individual or family outside for at least six months in the year, over a period of at least five years, have been able to earn significant funds to invest in agriculture.
- Investment in petty business amongst OBC households, such as vegetable selling, ice-cream selling, modernisation and adaptation of skills and business models for caste occupations. Most households who have invested in business or caste occupations have already been at an advantage, which has made the strategy less of a risk and the households involved have already possessed some business knowledge and drive.
- Land encroachment (particularly in Villanpur) and the payment of bribes to assure allocation under the land-ceiling act and better plots of land from the *Patwari* (official responsible for the land register).
- Payment of bribes for disputes and appointment to government positions. Although uncommon some have resorted to theft and the threat of violence to determine favourable livelihood outcomes (most notable amongst the Lodhi community in Sadangarh).

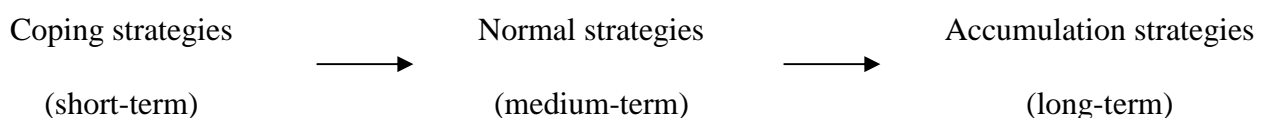
The key strategies/events which have led to significantly worse than normal behaviour as evaluated against sub-caste peers are:

- death of an economically important member of the household, often following significant expenditure on medical treatment;
- the timing of shocks which cumulatively impact and significantly reduce the ability of households to cope, leading to a downward spiral of resource depletion and increased indebtedness;
- carpenters and blacksmiths, who have given up their caste occupation and moved into animal husbandry;
- households who have separated due to arguments, without dividing sufficient productive resources;
- livelihood neglect, through illness, alcoholism or laziness.

A notable exclusion from this list are families with a large number of female children. These households are aware of the enormous expense and therefore this tends to dominate their long-term livelihood strategy. Additionally, there is very little incidence of people having to sell land to cope in periods of distress and those that do sell land are small-medium farmers and therefore they are still left with sufficient productive capability. The fact that few households have done significantly worse than their sub-caste group peers except in the light of family adversity, highlights the fact that families make sensibly calculated risks when trying to achieve greater livelihood security.

6.1.5 Time preferences and trade-offs

When considering livelihood strategies, it is necessary to consider the time frame under which strategies are operating. This paper considers three types of strategies. Coping strategies are decisions taken with a short-term goal of smoothing over consumption flows. In contrast, normal strategies are decisions taken to maintain regular income flows, and accumulation strategies are decisions taken because of their perceived long-term future benefits.



Because the employment of strategies meets the needs of households over different time frames, it can be seen that different strategies will be maintained simultaneously by households and therefore the extent to which coping strategies, normal and accumulation strategies conflict, is variable.

Households exhibit flexibility, taking advantage of immediate opportunities, but when households are food-secure, it is the desire for longer-term security that exerts stronger influence over decision-making. Behaviour, which may be viewed as myopic or risk-averse amongst non-villagers, may be a fairly 'rational' response to the actual risk facing villagers with little or no cash income, living at the margins.

6.1.6 *Acquisition strategies*

To achieve greater livelihood security, it is necessary for households to acquire different types of capital, namely human, natural, financial, social and physical. The most important factor, which determines whether households acquire such capital, is the cost of acquisition in terms of money and time spent. With the exception of social capital, the acquisition of other types of capital is related to the livelihood options of the household. The acquisition of social capital is often not a conscious process, but a by-product of working in certain arenas. In Sadangarh, households are highly segregated by sub-caste group, and sub-castes do not generally mix, except at the *chai* stalls, which are mainly frequented by OBC males. Farmland in comparison to housing is less segregated by sub-caste group and farmers do chat informally about different techniques and experiences, but mainly on an informal basis. People do not actively seeking advice from others about their farming.

Most households from both ends of the socio-economic spectrum prioritise the desire to have their own farmland for food production. For those more affluent households, this is more satisfactory than relying on market purchase. Additionally, most households prefer to own their own livestock as a matter of prestige.

The acquisition of human capital, in terms of skills and education, is a priority of more affluent households once livelihood security has been achieved. Whilst skill acquisition strategies may be overt in other areas such as the caste occupation, in agriculture it is not clear how people obtain knowledge. A skills gap exists between different farmers, but it is difficult to measure the extent to which this impacts yields, given different factor inputs. Many households who are farming do not have strong agricultural backgrounds. It is striking how ignorant some non-farmers are about their crops and methods. This is most notable amongst OBC artisan/service-providing households.

6.1.7 *Coping strategies*

Households try to maintain their assets as far as it is possible. Diets in both villages are simple and based almost exclusively on home-grown rice, *rotis* made from flour, oil and curd, with only the richer households consuming vegetables. As such, it is only possible to cut back the quantity rather than quality of food consumed. This is the most common strategy of poor households. An additional coping strategy is increased participation in wage labour. Children may also get jobs as herders at as young an age as seven or have increased responsibility within the household. Individuals may also be sent outside the village for work.

In terms of labour migration, it is also difficult to distinguish between normal and coping strategies. For example, in the case of agricultural labour, when an economic earning opportunity arises, in the case of an agricultural contractor arriving in the village, a household may send at least one member to harvest paddy, as this can provide two months of guaranteed food income. The opportunity cost

of this labour is less obvious to the household and therefore it is not necessarily a sign of food stress. However, participation in agricultural migration can be seen as a sign of general insecurity.

6.2 Sectoral strategies

This section overviews some of the most common strategies employed in each sector of the economy. More emphasis is placed on the strategies and sectors involving the poorest households.

6.2.1 *Agricultural strategies*

Amongst the poorer households, agricultural strategies involve investing the minimal amount, rather than yield maximisation. Households are growing crops for home consumption and therefore small sums are invested in seeds and fertilisers, even though it is appreciated that more initial investment would increase the quality and quantity of the crop. However, it is not guaranteed that a higher investment will lead to greater returns because crops are prone to disease and other environmental factors make higher investments more hazardous. In Villanpur, there do not appear to be any problems with access to seeds and fertilisers. Villagers repay their debt every year and therefore larger sums could theoretically be borrowed, whereas in Sadangarh households are generally more indebted and there is a higher incidence of households growing their own seeds. This is particularly common amongst poorer households in Sadangarh. The quality of the produce is deemed less important, as it is for home consumption and therefore it is seen as less important to invest more.

It is not surprising that villagers do not wish to invest large amounts in agriculture in a region prone to drought and crop failure. The investment necessary to build a good well is around Rs 50,000 or approximately four times the annual poverty line income set by the government. As one villager from Villanpur noted, 'I have considered investing in a well or a pump, but the thought of taking the whole loan stops me. I don't want to handle a big debt burden, as the first priority will be paying the debt and I feel that life will become miserable. I am satisfied with the life I am living'. People are taking out loans for smaller amounts to build cheaper wells, but this may prove a poor investment as water is not guaranteed.

Taking the example of a decision to grow a new crop, such as groundnut oil, the costs of relatively expensive seeds and fertilisers are clear, yet the benefits are indeterminable. Regardless of the outcome, the loan will have to be repaid and existing crops sold, thus potentially reducing food income for years to come. Villagers are acutely aware of risks, as crops of *urad dhal* (a type of lentil) and soya bean continue to fail and there hasn't been a good monsoon in the last three years.

The behaviour of large farmers is monitored closely, and often copied by smaller farmers, if the large farmers are successful. Large farmers have spare capacity, so that one bad year will not leave the family starving. Therefore the decision-making of large farmers is to accumulate and re-invest in agriculture, whereas small/marginal farmers aim to subsist, practising what they know has worked in the past.

6.2.2 *Wage labour strategies*

In both villages, labour work within the village is very casualised and labourers work for many different people. However, in Villanpur there is insufficient wage labour available, whereas in Sadangarh it is plentiful, although there is some seasonal variation. The difference is caused by the fact that people have many different livelihood options available to them within Sadangarh. Local

wage labour is used as an important source of regular income within Villanpur, whereas in Sadangarh it is used as more of a coping mechanism, to smooth over income flows. There is a lot of stigma attached to doing wage labour within Sadangarh, especially among OBC communities, as it is a sign of household poverty, some prefer to remain poorer and concentrate on their own agriculture. This accounts for the observed discrepancy between different caste groups and why some of peasant households are less well-off, because they do not want to admit that they need to depend on wage labour.

In Villanpur, outmigration does not depend on immediate circumstances, rather the intentions of others to seek wage employment outside the village or the arrival of contractors. A few villagers have established relationships with other more knowledgeable or influential workers, such as masons. More successful wage labourers tend to be those with less land, who focus on this as a strategy. Many workers who leave the village seeking employment return to the village after several days if they have been unable to find employment, due to the relatively high search costs, especially when looking for work in neighbouring cities. Villagers have gone to Delhi in large groups, but the average time spent outside is less than a month and it is normally equivalent to the duration of one contract. This is in contrast to labourers from Sadangarh, who tend to stay away for an average of six months at a time.

Few workers leave the village with their families, again because of the higher risks involved and the reduction in returns from this strategy. Those families who have migrated out together have worked more often as agricultural labourers. Individual migration also influences the length of time spent outside as villagers do not enjoy the periods of separation. Therefore, because villagers are less willing or able to invest the necessary time and energy in job search, the returns are lower.

In contrast, in Sadangarh lower caste villagers migrate out individually and in great numbers. Apart from the obvious attraction of high wages, villagers also want to escape from the stigma associated with working for high caste villagers. This also explains the difference in behaviour between the two villages. In Villanpur, there is no real hierarchy and villagers work for the townsfolk, so there is less stigma.

Box 12 illustrates how different families cope with misfortune by using wage labour. Whilst other families have stagnated, this family has worked incredibly hard and made sacrifices to achieve greater security. This has also improved their general level of worldly knowledge and aspirations for future livelihood security.

Box 12 Case study: Paramlal Adivasi (ST and wage labourer in Sadangarh)

The ST community lives outside the village of Sadangarh in a separate hamlet. Because they have little representation in the *Panchayat*, the village has no source of electricity and the community relies on the generosity of the landlord for access to water. This illustrates the marginal status of STs in the village.

Paramlal's father worked as a wage labourer outside the village until he benefited under the land-ceiling act. Their whole family was completely illiterate. Paramlal studied intermittently until seventh class. He left school when his whole family migrated to work at a brick factory in Bhopal. Both his mother and father worked there and decided to migrate after the death of Paramlal's grandparents. They used to stay there for eight months of the year and return to the village to grow paddy during monsoon. His father used to earn Rs 20 for making 1,000 bricks a day. From the age of five, Paramlal whilst not officially working, helped his father arranging the bricks. He got married when he was twelve years old.

Having accumulated funds from working at the brick factory, the family dug a well. It was also financed with a loan from the bank under the IRDP scheme, which they found out about through their wealthy land-owning neighbour. Last year they dug another well themselves because the water level dried up. For the last three years, his father has stopped going for wage labour and stays home to look after their agriculture, whilst Parmalal and his two brothers go out for wage labour.

Immediately after marriage Paramlal became ill with malaria. Initially they spent Rs 15,000 in four months on treatment. However, he frequently suffered relapses and therefore the family had to spend more money on further treatment with a private practitioner. Fees had to be paid on a daily basis, so to cope with the expense his mother's jewellery was sold to the neighbouring Lodhi, who is also the local landowner. At the time the Lodhi refused to lend them any more money so they had no other option but to sell the jewellery, as Paramlal's situation was critical. It was sold for half its value. They also sold food grain and reduced food consumption. The rest of the money, an amount of Rs 10,000, was taken from the contractor in Bhopal where his father used to make bricks. It was possible to borrow such a large amount because it could be paid off through wage labour. The whole family worked for two years to pay off the debt. The same happened when his father got sick; a loan of Rs 17,000 was taken from the contractor. He did not charge any interest on the loan.

The other main expense incurred by the family was for his sister's wedding. All the brothers went to Delhi and earned a total of Rs 10,000 to pay for the wedding. In the end, a total of Rs 16,000 was spent. The remaining amount was borrowed from a barber, arranged through a fellow ST. Paramlal continues to go to Delhi to do wage labour and the condition of the family has improved. Unlike most wage labour migrants, he is currently trying to improve his skill base by learning to drive. He wants to work as a long-distance lorry driver. His family are active members of Ekta Parisad, who are fighting for the land rights of STs in the area.

Box 13 highlights the discrepancy between the experiences of savvy villagers from Sadangarh, versus the naïve and vulnerability of workers of Villanpur, who are easy prey for swindlers. It also explains the reluctance of villagers to seek more employment outside the village and shows how survival outside is a skill that is difficult to master for those from a more insulated village.

Box 13 Case study: Sanju Kewat, six months' income from agriculture

Sanju was having problems finding sufficient wage labour in the district. The first time Sanju went outside the village for wage labour was to Gwalior (MP) five years ago. This decision was under the influence of others from the village, who were planning to migrate. When offered the opportunity, Sanju decided that it was better to go than to sit idle at home. In total, twenty villagers set out together. They were firstly cheated at the railway station in Jhansi. The villagers paid the full amount for their tickets, but were given half-price children's tickets. The ticket inspector caught them and each villager had to pay an additional Rs 20. This made him feel that in big city everyone is very cunning and always try to cheat others.

In Gwalior, they went roaming in the city, searching for work. After three days they found work for fifteen days digging trenches to lay telephone cables. The wage rate was Rs 60 per day, including an extra Rs10 for two hours overtime. The basic wage rate was dependent on the length of trench the worker digs. The gang was unable to find work after that, so they returned to the village.

Four years ago he also went to Delhi. The main reason he keeps on going outside is because other villagers are leaving. This time he also travelled in a group comprised of some labourers who had been to Delhi before. At the time, he borrowed Rs 200 from his neighbour to pay for the journey. The villagers were working on the construction of the toll bridge on the river, which they found through a contractor at New Delhi station. Although they worked for one month, they received only a fraction of their wages because the contractor ran away with all the money that was supposed to pay the workers.

However, he returned to Delhi along with twelve other villagers in 1999. Within two or three days, they found some work in house construction. They all worked for two weeks at their own expense. They had not been paid anything during this period, but the contractor assured them that they would be paid at the weekend. After completion of two weeks work, they finally demanded the money as they were starving. When they asked the owner for money, he refused, saying that he had already paid the contractor. They had to sell the remaining flour, taken for their own consumption, to pay a bribe to get the train to Jhansi. They reached Jhansi and had to spend the night hungry. In the morning they managed to secure a free lift to a nearby town and then had to walk the final 18 kilometres back to the village. Since then Sanju has only gone for wage labour within 30 minutes distance from the village.

6.3 Consideration of routes out of poverty

The following section looks at how individual households have managed to do significantly better than their sub-caste peers. Examples are again illustrated through case studies.

6.3.1 Land encroachment and investment

The acquisition of agricultural land has been one of the most important pathways out of poverty, either through government intervention (Sadangarh) or encroachment (Villanpur). Success is defined by the ability to cultivate and irrigate the land to realise the land's full productive potential.

In Sadangarh, agricultural investment amongst the poor has been financed by outmigration, whereas in Villanpur, those who have been able to use the land to their advantage have already had a significant agricultural income, experience of their own agriculture, as well as access to cheap irrigation from the lake. In addition, they have had sufficient power and influence to ensure that the land remains under their control as encroachers and they have had access to credit at preferable rates.

Box 14 Case study: Ragabahl Kewat (one of only four medium farmers in Villanpur)

Ragabahl's father moved to Villanpur from the town when he was a child. The main reason for migrating was access to firewood and problems with flooding during the monsoon. His grandfather was working in agriculture and water chestnut cultivation. He was also engaged in the caste occupation on a small-scale, as it was not particularly profitable. His grandfather had only one acre of land.

After migrating to Villanpur, his father encroached around two and half acres of land on the periphery of the village. He also encroached another three and half acres of land near the forest, so in total his father farmed seven acres of land. He was able to encroach such a large amount of land because at the time, very few people were living in Villanpur and most of them were involved in the caste occupation and water-carrying for higher caste families.

Ragabahl also believes that his father was very hardworking. Other villagers did not go to the forest because it is far from the village, but he does not know exactly how his father was able to encroach so much land. Initially, the land near the forest was used for growing grass for fodder for the cattle, as it was not very fertile. His father dug a well 25 years ago, using the money earned from wage labour. Ragabahl's father was murdered over a dispute involving land, by a blow to the head.

After his father died, the land was divided equally between the two brothers. Ragabahl bought one and half acres of land ten years ago near the lakeside from another Dhimar for cheap price of Rs 7,000, as the owner had to sell it in an emergency to pay off a debt. He borrowed the money from a Jain, at a preferable interest rate of 2% and returned the sum afterwards from the crop harvested. He also encroached another two acres of land. Therefore in total, he now has five acres of land in his own name and another two acres of land, which are unregistered.

Three years ago Ragabahl dug another well in partnership with three other people who own plots near his land. Together they invested Rs 50,000. The money was borrowed from a Jain at 3%. He had bought an electric pump seven years ago for Rs 10,000 for which he had taken out loan from the Bundelkhand Area Village Development Bank.

Ragabahl bought a diesel pump in partnership with the same people with whom he is sharing the well. It was bought three years ago for Rs 14,000. The money was borrowed from a Jain trader at 3%.

The most important distinction between this group of medium farmers and other villagers in Villanpur is the fact that they have a relatively large amount of land, which they are fully utilising as a productive asset. First, this provides access to credit markets at more favourable rates. Second, because they have significant income, they are more powerful, which in turn helps them to encroach further land. Third, because they have already established some success in agriculture, they are less risk-averse than other sections of the community. Due to their experience of selling crops, they have more business acumen and are able to deal with figures of authority and bureaucracy, although many are still illiterate.

This example also illustrates the positive effect of shared strategies, which reduces the investment risk and the cost of agricultural investment. The sharing of investment costs is common in Villanpur, but scarce in Sadangarh, where villagers are more suspicious of one another. Additionally, access to more favourable credit is possible, if small or marginal farmers are investing alongside larger landowners.

6.3.2 Savings

Prudent investment rather than savings is an important route out of poverty. Few villagers save money. Evidence of savings from both villages, unless from wealthier households, has come at about from a suggestion made by another villager, who has had a connection with a financial institution. There are a few examples of people saving, particularly for dowries. Villagers are aware of the importance of saving and would like to do so, but few actually get round to opening an account. Saving a small amount, such as Rs 50 per month, can provide a useful resource in the

future, but it is normally only enough to cope with a small one-off expense and therefore there is little evidence to suggest that formal savings schemes could make a significant difference, to smooth over income flows. Many households have some assets to liquidate in times of extreme distress, without having to reduce productive potential, for example women's wedding jewellery.

Competition in the credit market has also made borrowing more attractive and most have access to credit. It is only those very insecure households who would benefit from drawing on emergency savings, yet these are the households who would never be in a position to save without reducing food consumption below an advisable calorific level. The amount that villagers have saved is very insignificant when compared to the indebtedness of households.

The state-run post office has tried to encourage saving. In Sadangarh, the postmaster was given incentives to sell savings accounts and he did not receive his salary for several months because he had failed to set up a sufficient number of accounts.

It is only those villagers with some agricultural surplus who are able to save and invest as Box 15 illustrates. This enables them to diversify income and take advantage of the existing productive opportunities within the village.

Box 15 Case study: Ragabahl Kewat, medium farmer

Ragabahl has been able to save some money from time to time, but villagers are frightened to keep money at home, due to the risk of robbery. Any surplus income he has invested was spent on agricultural equipment or livestock, although he also invested in a boat, to ferry people across the lake during the monsoon, when the village becomes cut off by road. When he received a loan from the Bundelkand Area bank, he opened a savings account, but he did not deposit any money, apart from that necessary to repay the loan amount. He prefers to borrow money and repay it when possible.

Ragabahl is a member of the village fishing committee and is involved in the dry fish business. One benefit of becoming a member of the village fishing committee is the life insurance policy of Rs 10,000, which his family would receive if he dies while catching fish in the lake.

At the suggestion of his in-laws, Ragabahl's son installed an ice-making machine in the main town, which was used to provide ice at weddings. Ragabahl gave his son Rs 10,000 to start the business, by borrowing from a Jain at 3% and his in-laws also gave him a further Rs 10,000.

It was difficult to run the business as the demand for ice was low outside the marriage season and most of the time the machine was left idle. Additionally, as the machine was second hand it broke down frequently. Eventually his son stopped the business and incurred a loss of Rs 12,000 from the venture. This is the only example of someone from the village starting a business in the main town. His son is now engaged in wage labour and also helps his father with agriculture.

In Villanpur, some villagers are not able to save significant amounts, although many are able to accumulate between Rs 500–1000 after a sustained period of regular wage labour. The money is used sometimes to buy cattle, pay off debt or buy food grains to keep in stock. However, few have ever opened up savings accounts. Those who have opened up accounts have done so following the advice of other members of the community, sometimes people who work in the bank itself, or sales representatives from private organisations.

Box 16 Case study: Phundi Kewat (Villanpur - six months' food from agriculture)

Savings as an insurance strategy

Phundi is a marginal farmer, who relies heavily on income from wage labour. He opened a savings account in Bundelkhand Village Development Bank in the town in 1986. One of his neighbours, working as a peon in the bank advised him to open an account. He told him that if he saved a little amount every month in the account then he will get interest on it as well as having the money in case of an emergency. He went to the bank and opened up an account with Rs 50. He used to deposit money in the account, whenever he received some surplus earnings from wage labour.

When Phundi received regular wage labour for four to five days at a stretch he deposited some money. However, he withdrew the full amount around six years ago to buy food when crops failed due to drought. He has not deposited any money since as he does not accumulate any surplus from wage labour.

Like most villagers, Phundi has never made a significant investment. He considered investing in a well or a water pump, but the thought of taking a loan for the whole amount made him change his mind, as he his whole life would then be focused around repaying the debt. He has a good relationship with a Jain moneylender and he is content to borrow from him if he requires additional funds, but does not want to do so.

6.3.3 Investment

Investment decisions are an important route out of poverty. One of the most important investment decisions is to irrigate land, as this has a profound impact on the overall yields and choice of crop. This was investigated in more detail in Sadangarh as some marginal and small farmers have invested in irrigation whilst others have not. Many do not wish to invest because they are subsistence farmers and the financial burden would leave the family heavily indebted and at risk of losing the land altogether. The most common strategy is to fund the investment in a well through outmigration, but this requires a considerable amount of time to earn sufficient income, a sacrifice which many are not prepared to make. Others have overcome the problem by investing gradually in irrigation and digging their own well during the agricultural lean season, but the wells do not provide irrigation for a long time. Some villagers have separate plots of land and therefore it is not economically viable for them to irrigate one piece of land and not the other, because the returns from agriculture would not be sufficient to repay the debt or make the investment profitable.

Those who have a reasonable level of livelihood security are investing any surplus to accumulate more resources. Land is still the most sought-after resource asset, although the land market in both villages is fairly stagnant and most villagers prefer to have a diversified portfolio of interests. The majority of investments are debt-financed, although more investments in agriculture were made when soya bean was an extremely profitable crop. This was an important windfall to raise the productive capacity of both large and small farmers in Sadangarh. Large farmers invested heavily in expensive capital equipment, such as tractors and threshers, and some small farmers did the same in syndicates, with a view to gaining additional revenue from equipment hire. However, the small farmers lost out, because they could not keep up with repayments when the soya bean crop failed.

6.3.4 Education

There are few people in Villanpur who are highly educated and the literacy rate is 30%, compared to 59% in Sadangarh. However, the benefits of education are widely appreciated. In addition to the importance of education for government/well-paid jobs, villagers also understand that education could provide them with knowledge necessary for their daily lives and improve their access and knowledge of government schemes. Poor literacy rates, combined with the relatively isolated position of Villanpur have a significant impact on the well-being of villagers. Illiterates are

frequently cheated outside and have less awareness or confidence to pursue their rights within the village.

The benefits of a good education are far removed from the harsh realities of life for the poorest in both villages and, therefore, education is low on the hierarchy of needs. It costs a family Rs 600 per year to send a child to school. It is often the youngest children who receive the best education, if their older siblings are working and more money is available. The majority of male children begin full time wage labour at the age of fifteen, although many work more erratically from a young age. In Villanpur, the education of female children is often sacrificed completely and females will sometimes be sent out for wage labour at a younger age than their male counterparts. School drop-out rates are most closely associated with the costs of education rather than the immediate necessity for the child's labour, although if there is a major shock to the family the children's education will be one of the first sacrifices to be made to reduce household expenditure.

As mentioned previously, education, beyond eighth grade, can have a significant impact on the well-being of a poor household and can break down the rigidly hierarchical nature of society. The externalities of one member of a community receiving education are considerable, as they are able to influence and improve the knowledge of other members. There is also an information divide, as many government schemes and jobs are only publicised in the local newspaper. This is how the Brahman postmaster, for example, found out about a subsidy for cancer treatment, for which he received Rs 10,000. Many poor people are frequently paying similar amounts for treatment, which leaves them with crippling debts.

6.3.5 *The moral economy and reciprocity*

Social networks are an extremely important mechanism for households to assure their income over the long-term. Relationships with moneylenders, fellow migrant workers and government or elected officials are particularly important. More affluent households have better relationships with people in positions of power, which means they have better information regarding government schemes and access to benefits. The majority of money lending relationships are hierarchical. All large sums of money in Villanpur are borrowed from Jain moneylenders living in the main town. Relationships tend to be historical, dating back generations. Moneylenders are the first people contacted in times of crisis. However, those who are heavily indebted often rely on other family members for loans if subsequent money is required, if and when they are unable to secure additional funds from moneylenders. Money is also borrowed between in-laws in other villages. Large dowries are also given to marry children off well, in the hope that this may provide additional security for the family in the future.

The people in Villanpur have very strong community networks. For example, when a villager's house became flooded and the household was forced to move, the whole community pulled together to lend bricks and iron beams and helped to build the new house without charge. Even those with little to give are prepared to help their neighbour in need. Small amounts of money are also loaned between different households of the village, for example to fund wage labour. Additionally, elders from the village support families who are unable to secure loans, by helping them in negotiations with moneylenders. This type of support network is less prevalent in Sadangarh and villagers often talk about how dishonest and unhelpful people have become. Crime and theft have also increased in the village and there is tension especially with the Lodhi community, who are renowned for drunken anti-social behaviour, land encroachment and intimidation tactics. In Sadangarh this is an important negative side-effect of the monetarisation of the rural economy.

The importance of hierarchical patron-client relationships has declined significantly in Sadangarh. Under the *kisani* system, although income is guaranteed, the benefits from patronage were only

enjoyed by the most affluent households. Therefore, the extent to which this affects the poorest households, who have equally poor clients, is negligible.

6.3.6 Government schemes

With the notable exception of the land redistribution act, government policy has had little impact on livelihood options or socio-economic mobility. Corruption is prevalent in the administration of government schemes and generally those who have been affected by government policy have been from wealthier families. The ineffectiveness of policy has firstly to do with its implementation, rather than the nature of the policy itself. Analysis of the impact of government policy is limited to the IRDP scheme, social security payments, the co-operative society and land reform.

Attitudes to government schemes, and to authority generally, vary considerably in Sadangarh. Many illiterate people are afraid of getting involved with anything official for fear that they might be taken advantage of and lose their land and they are reluctant to question authority. It is the educated who are confident enough to work the system to their advantage and the poor that feel that the government may try to seize their assets, although it is unclear who is perpetuating this discourse. The rich are at an advantage because they feel confident and can afford to pay a bribe.

In one example, two female-headed households that were receiving widow's pensions, did not question or challenge the authorities when suddenly their benefits stopped. Both were told that they should not be receiving any pension because they had land. The matter was not taken any further. Both women assumed that their pension had stopped because someone had made a complaint against it. People are very suspicious of one another when it comes to benefits and there is a lot of jealousy between people within the community. In Villanpur people have less contact with authority and there are few government schemes, so there is less suspicion.

One notable negative effect of economic liberalisation has been the commensurate rise in corruption, and therefore now, more than ever, it is necessary to pay a bribe to get anything done. For poor people, the payment of bribes is a lottery. Because people treat authority with fear and trepidation, even if they pay money they cannot be assured of the service. Therefore the payment of a bribe also excludes the poor because of the indeterminable outcome of the investment decision.

In Villanpur, and to a lesser extent among the indigent of Sadangarh, villagers are generally unaware of their entitlements and few have made enquiries into government schemes. However, the situation in Villanpur is better than might otherwise be expected, because the ex-*Sarpanch* is from Villanpur. During his time, villagers benefited under the below poverty line (BPL) ration card,¹¹ which entitles households to cheaper kerosene and wheat. However, relationships with the *Panchayat* are more remote, following the change in office of the *Sarpanch* and few people are now benefiting under the scheme. Only 44% of eligible households are listed and only 10% have yellow card status, which provides greater benefits. There are three times as many villagers with BPL status from the particular hamlet of the previous *Sarpanch*. Some villagers are still listed because they paid a bribe to the person who was reviewing the list. However, most villagers are not willing to pay bribes because they are unsure of their rights and do not think that the payment will secure the benefit. There is some awareness of other schemes such as the Indian Rural Development Programme (IRDP) but villagers are unsure about the difference between this scheme and the BPL ration card.

¹¹ Households are eligible if their annual income is less than Rs 12,000.

Box 17 Case study: Parvatlal Kewat, six months' food from agriculture

Below poverty line listings

Parvatlal is not at present benefiting from any government schemes. He doesn't know which schemes exist because he thinks the *Sarpanch* does not keep the villagers informed. If he personally goes and asks the *Sarpanch*, then he tells him there is nothing.

He is not named under the IRDP below poverty line list, as the government employee who came to verify beneficiaries said that he did not qualify because he had a good brick concrete house.

He enquired about the matter with the secretary of the *Panchayat* but was told that if he wants his name listed in the BPL list then he has to pay Rs 500 as a bribe. He refused to pay the money as he knew that many people were benefiting without bribing an official. According to him there are lots of party politics involved in the village and therefore it is the winning party and its supporters who benefit from any of government scheme. During the ex-*Sarpanch's* tenure, he had a BPL ration card. However, since the new *Sarpanch* is from the main town, the number of beneficiaries has been significantly reduced.

Generally there is a lot of jealousy and competition when villagers apply for government schemes. One villager had applied for compensation for a fire, caused by an electrical short circuit, which burnt down his supply of fodder. The *Sarpanch* had informed the villager that he should receive Rs 500 because he was below the poverty line. However, when the government inspector came, the other villagers lied about the situation and therefore he was unable to receive any compensation.

In Sadangarh, there are more households accredited with BPL status than households who qualify, according to income figures collected from the ODI village census. However, benefits are generally unfairly distributed, and are not targeting those who need most help. The lame old lady mentioned in Box 11, raising her two grandchildren alone, whose main source of income is scavenging, does not receive a pension, while the post-master's mother who lives a very comfortable lifestyle, does.

6.3.7 The land reform act

The land reform act was implemented around 30–35 years ago. It benefited a wide variety of households from both ends of the socio-economic spectrum. However, not all poor households applied to receive land and those who did were amongst the households who migrated out of the village. Some households didn't apply because of ignorance, or that they did not take the scheme seriously. Others who benefited were cheated by moneylenders who forced them to hand over the windfall to clear their debts, before they even received the land. There were also a few households who decided to sell their land to large farmers to receive the cash immediately. This was also due to lack of access to credit markets. However the Ahirwar community took full benefit of the scheme, which other scheduled caste members attribute to their higher awareness from time spent outside the village. They also had a good knowledge of agriculture from work on large farms, unlike other SC communities. As such, other households were less aware of the importance of investment in agriculture.

This example also serves as an illustration of how times have changed and livelihoods have improved. Lower caste households now aspire to grow enough food from their own agriculture, whereas at the time of implementation, the thought of own farming was a new concept and scheduled caste workers were involved in traditional occupations or worked as bonded labourers.

6.3.8 The co-operative society

Another government scheme that has influenced livelihoods is the agricultural co-operative society. However, it is only used by more affluent farmers and therefore it does not provide a service for those who need it most. Although the society provides superior seed varieties, many plant their

seeds grown at home. Small farmers often have debts with the co-operative society, which they do not pay back and, they can't therefore get seeds from there until the debt is cleared. In Villanpur seeds and fertilisers are obtained through Jain businessmen, who provide cheaper seeds and fertilisers than the society. Small farmers do not receive any advice about their crops, as the agricultural extension officer appears to only give advice to the *Raja* and other large farmers.

6.3.9 The Indian Rural Development Programme (IRDP)

Subsidised loans are the main way that the government has supported investment in livelihood options. One such example is the IRDP scheme. Subsidised loans are available to households to start or invest in businesses, particularly in relation to their traditional caste occupation. Box 18 illustrates how the scheme was used to obtain a cheap loan and the importance of business support for those receiving a loan.

Box 18 Case study: Parvatlal Ahirwar

Parvatlal is an illiterate wage labourer who has been doing wage labour outside Sadangarh for over twenty years. He is now concentrating on agriculture. He is from the community of leather workers and therefore, when he heard about the IRDP scheme, he decided to apply for a loan to start up a shoe shop. The *Gram Sevak* publicises schemes by visiting people at home and he also informs the watchman of the village (currently from the Chadhar, SC community). Word of mouth is also an important source of information. Parvatlal found out about this scheme through fellow Ahirwars. As far as he knows, ten other members of the Ahirwar community benefited under the scheme (fifteen applied), but no-one has been successful at running their shoe business. He went to see the *Gram Sevak* for more information. He only received half of the Rs 3,000 that he should have got under the scheme. He did not enquire about the rest of the money and just assumed it was taken as a bribe.

Parvatlal did not think it was a particularly good idea to open up a shoe shop, but he felt compelled to do so, when he heard about the scheme and the possibility of a cheap loan. This coincided with the marriage of one of his daughters. He did not think that he could make as much money from the shoe business as he could from wage labour, but started the business as he knew government officials would come back to check how he had used the money. Parvatlal bought 100 pairs of shoes from Tikamgarh and started selling them from his house and door-to-door in the village. The business failed after one year because people would not pay back the money they owed and for lack of demand. He tried the business after he came back from doing wage labour, in his spare time, so there was no real commitment made to try to make the business succeed. It did not affect his wage labour because he continued doing the same amount. The money was eventually paid back through wage labour. He did not receive any advice or training about how to run a business. He thinks that others have failed in their shoe business due to lack of training and commitment to make the business successful – people applied because they were interested in 'free' money.

Another example of someone benefiting under the IRDP scheme is from the tailoring community (Box 19). Asharam also benefited under the *Rojgar Jojana* scheme (for the educated unemployed youth) and he has also tried and successively failed to get a government job.

Box 19 Case study: Asharam Namdev

Asharam is from the most affluent household of the tailoring community. His father specialised in the caste occupation and runs the most successful business of the five brothers. Asharam learnt the caste occupation when he was twelve years old, but he continued with schooling and began tertiary education; however, he dropped out because he did not want to depend on his father. His father gave him a sewing machine to help him start his own business.

IRDP: In 1995, Asharam took a loan under the IRDP scheme for people below the poverty line, to open up a ready-made clothes business. He found out about it through the *Gram Sevak*, although the loan was sanctioned through the block office. Under the scheme, he received a loan of Rs 15,000, of which Rs 7000 was subsidised. He bought garments from Tikamgarh, but the business soon ran into difficulties as people took goods on credit and he had problems keeping up with loan repayments. He ran the business for two years, and invested Rs10,000 in the venture. The rest of the money from the loan was spent on the procurement of the loan itself. He made Rs3,000 profit from the business, but he was very concerned about cash flow problems. He thinks the whole experience was useful and that in the future it might be possible to set up a similar venture as people are asking for less credit now. He is also concerned that income from tailoring will not be sufficient when his children are older and want to study.

Rojgar Yojana: Asharam also benefited under the *Rojgar Yojana* scheme for the educated unemployed youth. He read about this in the employment news weekly publication, which according to Asharam is the best source of information about government schemes. The purpose of the programme is to encourage educated individuals to start their own businesses rather than spending time looking for jobs. Under the scheme he received Rs 300 per month to do something 'productive'. The criteria for the qualification under the scheme is that you should have passed twelfth grade at school, earn less than the IRDP poverty line (i.e. Rs 12,000 per annum) and possess some kind of skill.

Asharam benefited from the scheme for only eight months, as his payment was stopped by an influential Brahman of the village, who is connected to the block office. The Brahman demanded money in return for the cheque because he knew Asharam had already benefited under the IRDP scheme. Asharam admitted that he lied on his form, but is angry that he has not been able to benefit because he refused to pay a bribe.

Government Job: Asharam also tried to get a job as a teacher, but was rejected. He has not applied again because it costs Rs 200 and he thinks you need to have good connections with people at the block office to get government work. He also enquired about a job as a policeman, but it is necessary to pay a bribe of Rs 25,000. This does not guarantee success, so he has never paid any money to try to get a job as it is very risky. He is still determined to get a government job. Asharam regularly visits people from the block office when he goes to Tikamgarh, but is not forthcoming about other details.

These examples relating to the IRDP scheme illustrate some of the problems with the implementation of the scheme. First, the beneficiaries of the scheme are only receiving a fraction of the money that they should be getting, because so much money is spent on the procurement of the loan. For some businesses, entrepreneurs will not be left with sufficient funds to invest more money in the business. Cash flow problems are an issue as it is important to keep up with monthly repayments. Therefore people are repaying the loan through money from traditional means, instead of making a success of the new enterprise.

Second, because of the incentive of advantageous interest rates, people are using the scheme as a means of procuring cheaper credit. Some people are using the money for other purposes and superficially using limited funds on the enterprise itself. Government checks do not appear to be working to regulate this practice. Additionally, the lure of favourable interest rates means that people are investing for the wrong reason – i.e. to take advantage of the favourable interest rate, not the desire to run a successful business.

Third, people are receiving the money without receiving any training or support. With any business venture, people wish to pay for goods on credit. Generally, people need to have power and influence to ensure that bad debts are paid. Although many IRDP loans are sanctioned to encourage people to run businesses related to their traditional occupations, many do not have the knowledge or

skills that are needed to run a business successfully. The example of Box 19 illustrates this point. Neither Asharam nor his father have been involved in the caste occupation and he did not have any experience in sales.

6.3.10 Government jobs

Few villagers apply for government jobs. It is only those who have a good standard of education who try, but it is necessary to have good political connections and money to bribe officials.

Box 20 Case study: Bhagunta Kewat, six months' food from agriculture

Bhagunta's son has completed twelfth grade, but he had to discontinue his studies because the family was struggling financially due to his father's continued ill-health. He wanted to continue his studies and applied for a scholarship, but gave up because he was unable to get information from the block office and because it was necessary to pay a bribe, which the family could not afford to pay.

Bhagunta's son was able to get work at a cloth store run by a Jain. The Jain's son was studying in the same class. He offered him the job because he was sympathetic to the plight of the family. Additionally, the family had good connections with the Jain from his grandfather's time as they used to take clothes on credit. He receives Rs 500 per month from working in the shop. Although wage labour is more profitable, he prefers working in the shop.

The younger son, who has passed twelfth grade, tried to apply for job of *peon* in the village health centre as well as in the co-operative society. He was asked to pay a bribe of around Rs 5,000 in order to secure the job. The family were going to pay the money, but in the meantime another person told the *Gram Sevak* he was willing to pay Rs 10,000, so he didn't get the job. The brothers went to enquire about the matter with the *Gram Sevak*, but he told them he was not able to employ anyone, even though he had previously told them if they paid the bribe, he would make sure his son would get the job.

Four years ago the younger son was working in the non-formal education department whilst he was still studying in school. He used to receive Rs 300 per month for teaching and working in the office every day for one hour. However, the scheme stopped after one year due to spending cuts.

The younger son also tried for a teacher's job in the government school. He submitted an application, having found out about the job from a fellow sub-caste member from another town, who was working as a schoolteacher in Villanpur. He knew the teacher as he was studying under him. The teacher informed him about the vacancy. He also came to know about it from the Employment News weekly paper.

He was told by the teacher that if he could pay a bribe of Rs 50,000, then he might get the job, but it the sum was beyond the means of the family. There was also no guarantee that he would be appointed.

The younger son also applied to work for Madhya Pradesh Police Service, which he came to know about through the same newspaper. Other youths from Villanpur also applied for it. However he didn't receive an admission card to sit the entrance exam. He has now given up looking for a government job as the bribes are too expensive and he is not well-connected enough. He continues to work in the cloth store.

6.4 Routes into poverty

The main reason why people from all ends of the socio-economic spectrum are becoming poorer is because of ill-health. Not only is this disastrous in terms of loss of earnings, but also because of the expensive medical treatment available. Tuberculosis is the most common problem. Households are spending vast sums of money which they cannot afford, which can place their livelihoods in a permanently precarious position. Additionally, dowries equally threaten the financial stability and livelihoods of households, but this is more often taken into consideration within household budgets. Households in Villanpur are less heavily indebted because their spending is more in line with their weak earning potential and the fact that access to credit is limited.

The most common strategies employed by the poorest households are increased participation in wage labour and reduced food consumption. Initially in response to a shock, households will visit a money lender to secure a loan, and therefore coping strategies are more closely linked to the payment of the loan itself over the longer-term rather than the shock itself. As such, the full impact of shocks is delayed. Increased income from wage labour involves the participation of other household members as often there is not enough work for wage labour participation to be a guaranteed source of income in times of distress.

6.4.1 Debt

Table 6 provides the statistics on debt in both villages.

Table 6 Debt analysis of Sadangarh and Villanpur

	Villanpur	Sadangarh
Percentage of households indebted	81	62
Debt to annual income ratio for the whole village	0.47	2.85
Average debt to income ratio, for indebted households	0.76	0.70
Number of households heavily indebted (owing more than the annual household income)	25	13

Source: ODI village census.

The debt in Sadangarh is almost three times the annual income of the village. The most heavily indebted households are found at both ends of the socio-economic hierarchy, with those at the bottom heavily indebted because they are borrowing for food and have low incomes and the richest, who have invested heavily in agriculture.

Figures for indebtedness in Villanpur are high because of large sums invested in capital equipment for agriculture, so this is also a sign of economic growth.

The main reasons for debt in Villanpur and Sadangarh are illustrated in Table 7 below.

Table 7 Reasons for household debt in Villanpur and Sadangarh

Main reason for debt	Villanpur		Sadangarh	
	% of households*	Average indebtedness (Rs)	% of households	Average indebtedness (Rs)
Household expenditure	27	2500	6	4500
Marriage	22	6500	20	21000
Purchase of bullocks	12	5500	5	6500
Treatment of disease	8	7000	13	8000
Land purchase	4	8500	7	13000
Well	4	11500	12	17000
Agriculture** (other)	2	9000	12	13000
House repair	2	2500	3	12000
Business	0	0	11	12000

Source: ODI village census – figures for average indebtedness are rounded to the nearest Rs 500.

Note: * Percentage of households is calculated from the total number of indebted households. ** Agriculture other includes capital equipment such as tractors and pumps

The most common reason for indebtedness in Villanpur is household expenditure, which reflects the insecurity of livelihoods in the village. Regular household expenditure is defined as debt for the purchase of grain and clothes. Although the debt is relatively small, it is significant that so many

households are borrowing to cover daily living expenses. In Sadangarh, debt for household expenditure is also common amongst the poorest.

In Sadangarh, marriage is the most common reason for indebtedness and the size of the debts are considerable. The amount typically spent on marriage is Rs 20,000 for a female and Rs 7,000 for a male. The amount spent is considerable as most families have many children. There are some examples in Villanpur where the households have spent around Rs 1,000 on the marriage of female children, but this is the exception.

Table 7 also illustrates how little households in Villanpur are investing in agriculture. This is in contrast to Sadangarh, where most debt is amassed to secure future income by investment in agriculture or business. With the exception of the purchase of bullocks, only 6% of households are indebted due to agricultural investment. Investment in bullocks is most common because the animals are necessary to obtain share cropping opportunities, as well as their use for household agriculture. The figures for agricultural expenditure in Sadangarh are biased because they include the debts of six or seven households who have invested in tractors.

In Villanpur, a relatively small number of households are indebted due to medical treatment. This figure can in part be explained by the fact that many villagers try to avoid treatment for illness and reduce healthcare spending to a minimum. It is generally families who are more financially secure to begin with that spend large amounts to receive proper treatment. This is less true in Sadangarh, where treatment costs are paid by both rich and poor.

Box 21 Case study: Bhagunta Kewat, small farmer

In total, Bhagunta is indebted by Rs 41,000. He first became ill after he returned from Delhi. He was suffering from mental illness and was taken to Gwalior for shock treatment. He spent Rs 8,000 which he borrowed from a Jain at 3%, as his son was working in the Jain's cloth store. The rest he had saved from a time when he was earning through fishing. He got a lump sum of Rs 1,000 and an elder of the village went with him to the bank and advised him to open an account. Since then he has been putting money aside from wage labour whenever possible. However, he had to close the account as all the money was required. The money for treatment was returned by his son, who worked in the Jain's shop to pay off the debt.

Eight years ago, he became ill again, with gall stones in his kidney. He received laser treatment in Jhansi, which cost Rs 11,000, which he had to borrow from relatives in other villages as the Jain refused to give him money. The interest was 2% and so far he has been unable to repay the money.

He then suffered a stroke three years ago and was treated in Jhansi. He had to stay in hospital for two months and the family spent Rs 9,000, which was borrowed from his wife's relations at 3% interest.

The family also has outstanding debts of Rs 26,500 for the marriage of both male and female children, owed to family members, neighbours and the Jain moneylender. Interest rates for this additional debt are only 2–3%. However, the family has three acres of land and all family members are working hard to repay the debt. His wife now travels regularly to Bhind for agricultural work. One son continues to work in the Jain's shop, while the other son looks after agriculture and does wage labour in the area. However, the family have coped with this debt by selling jewellery (for Rs 6,000), using the money from their daughter in law's dowry, eating less food and increasing their participation in wage labour.

During this period, the elder son has tried to save some money from wage labour. He opened an account with the Sahara Parivaar and the policy will be paid in ten years' time. Every month, he deposits Rs 50 in the account, although he has stopped in recent months. He got to know about the scheme from an agent who travelled to the village.

This family have become more indebted than most because they have three acres and therefore it has been possible to borrow more money for treatment, although the land has not been mortgaged. Relations with other family members are good and they have good social support from their son's boss, the moneylender. Additionally, this family have had more favourable rates of interest at only 2 or 3%, even though they have been borrowing for non-productive purposes and are heavily indebted. The main difference is due to the amount of land they own, which gave them access to credit. Other families of the village in a similar situation stop treatment.

Interest rates in Villanpur are generally set at 5% for cash loans, compared to 3% for Sadangarh. Rates depend on the relationship with the moneylender and the amount of land that borrowers have to offer as insurance. Some families are also forced to mortgage their land to obtain a loan, which means they lose the rights to any produce. The poorest households are sometimes forced into these relationships, but the situation does not occur frequently. However, in some families who have a lot of female children, there is no other option.

Box 22 illustrates how other households with fewer resources cope with crisis by spending fewer funds, mortgaging land and drawing on the support of community members.

Box 22 Case study: Sanju Kewat

Sanju's father died from tuberculosis when he was ten years old. They had to sell his mother's jewellery to pay for his treatment, for half its original value, but his father died during the treatment. When his father died his mother started doing wage labour. Sanju used to go with his mother for wage labour and he was never sent to school because the family could not afford it. There are seven children in the family, two sons and five daughters. Sanju is the younger son.

His elder sister was married fifteen years ago. The family only spent Rs 400 on the marriage, which is the bare minimum. The money was borrowed from their neighbour because the household is very poor.

The second sister was married three years later for a sum of Rs 1,000. This time the money was borrowed from a Jain, from a relationship developed in his grandfather's time. Half an acre of land had to be mortgaged to get the loan. His brother repaid the debt by doing wage labour. The third sister was married one year later. His step-father sold half an acre of land in his village to pay for the marriage. The fourth sister was married a year later. Again a sum of Rs 1,000 was spent on the marriage. The loan was taken from another Jain as they had not been able to pay back the previous loan in time. Six elders from the village went with the family to assure the loan and half an acre of land had to be mortgaged to secure the amount.

6.5 Coping strategies

6.5.1 Outmigration

Villagers are leaving Villanpur in large groups, instead of immediately responding to shocks. This is due to the fact that outmigration is a risk, rather than an assured means of coping with unforeseen expenditure, as villagers sometimes return empty-handed. Therefore villagers have to cope by increased participation the number of people from the household participating in wage labour within the village. In response to a drought six years ago, many families travelled to the main agricultural area of MP in search of work and some have continued to do so. However, this is an isolated example of increased migration as a result of widespread food scarcity.

In Sadangarh, people do leave the village in search of work to cope with shocks. However, because of the time scales involved, it is less of a coping strategy. Few families leave suddenly because they are in desperate need of food income, but extraordinary expenses dictate migration behaviour over the long term.

6.5.2 Reduction of food consumption

This is a regular coping strategy carried out by the poorest households, but it is difficult to estimate how frequently and to what extent it occurs in a normal year. Any households which experience some degree of livelihood stress vary food consumption, but it is difficult to measure the significance of variations. The poorest households (most families in Villanpur) are permanently under some food stress, which is exacerbated in response to unforeseen shocks, debt repayment and

in some cases, the regular smoothing of consumption flows before harvest. However, the prevalence of reduced consumption is less than it was fifteen years ago, due to improvements in agriculture and now the majority of households in the village are eating everyday. Previously, people were going without food for days at a time.

In one instance, a landless villager's son who fractured his leg whilst playing was taken to Tikamgarh for treatment. The total amount spent in treatment was Rs 15,000, which was borrowed from a Jain at 5%. The money was returned by doing extra wage labour and food consumption was reduced by half, until the next harvest.

Food consumption is the easiest way for households to cope in times of distress, which explains the reluctance of families to invest more in Villanpur, because if the investment is a failure, families are more likely to go without sufficient food for a prolonged period of time. In addition, expenditure on non-essential items is reduced, in particular the education of children.

6.5.3 *The sale of items*

It is normal for families to be forced to sell assets if multiple shocks occur in quick succession. This generally happens if they are unable to secure further assistance from a moneylender. Most families do not have many assets and therefore it is often the family jewellery that is sold, in particular for the purpose of treatment. Families who keep goats are able to sell them to cope with unforeseen circumstances, which raises up to Rs 1,000.

Box 23 illustrates an extreme case, whereby family assets have been reduced because there is no other way families can cope. However, in most circumstances, households are more resilient and find a means of survival, without reducing assets.

Box 23 Case study: Kamlesh Kewat, coping with his parent's death

Kamlesh is sixteen years old. He has three brothers, one of whom is only thirteen years old. He was orphaned at the age of eleven. When he was around eight years old his father died after suffering from tuberculosis for three years. During his treatment his father sold a quarter of an acre of land because he was unable to go out and earn money and they were starving. He had treatment in Tikamgarh and his brother spent a total of Rs 10,000 for which they had to borrow money from a Jain at 5%. They have still only been able to return half the amount through wage labour, even though the debt was incurred ten years ago.

After his father's death, his mother became sick and also contracted tuberculosis. She died five years ago when Kamlesh was only eleven years old. Of the one and a half acres of land owned by his father, a quarter of an acre was sold for his mother's treatment as they were unable to secure a loan from the Jain, because the money from his father's treatment was still outstanding. It was sold for only Rs 2,500 as they needed the money but were unable to find a buyer willing to pay the actual market value.

His parents gave birth to eight brothers out of whom four died when they were small babies he says, probably due to malnutrition. He also had two sisters who died as infants. He says that because the family was poor, they didn't have money for their treatment.

Kamlesh's elder brother was murdered two years ago. The brother was around twenty years old. At the time Kamlesh had gone to Bhand for mustard harvesting. This was the first time he had gone out for wage labour, because a contractor arrived in the village. He is now superstitious about going outside again for work. His brother was always having arguments with the people who bought their land for such a low price, following the death of their mother.

Kamlesh is now left to look after his younger brother by himself as his elder brother lives in a separate household. However, he receives some support from his elder brother who works as an entertainer at marriage ceremonies.

7 Policy Implications

In general, structural change has increased livelihood security in both villages studied, without significantly increasing the vulnerability of the poorest households. The poorest households have never had a security blanket to ensure that they eat two meals per day. As such, the market is no better or worse than traditional means of exchange. Landlords in this area have never been particularly benevolent to poor workers. However, the poorest households are still poor and their condition has only improved to the extent which people have adopted modern farming techniques, acquired land or migrated for work. More expensive medical treatments and dowries are also added pressures to spend more money and hence the general level of indebtedness in both villages has also increased.

Those who have improved their livelihood security significantly have done so because they have worked hard and used their resource endowment well. Programmes, which artificially create business and livelihood opportunities are unlikely to succeed unless the participants are given an appropriate skill base and that participants are genuinely interested in the work. It is women in particular who are demanding programmes to help them to earn money while looking after the household. At the moment the only non-caste related livelihood option which is open to them is *bidi* making, which is labour intensive and provides low returns. Other schemes such as credit to purchase sewing machines and thread binding have adversely affected the people traditionally involved in the occupation and demand is at best stagnant due to the availability of cheap manufactured goods. These schemes appear to have come and gone and therefore there has been no significant impact. Schemes also need to target specific caste communities. This way they can gain support from this community who share similar values and outlooks. Otherwise schemes may only touch richer households who can influence government officials.

Outmigration is a strategy, which the poorest households are using to amass wealth. It is therefore important to improve conditions for casual labourers, so that they receive fair wages and so that their working conditions are more favourable in urban areas. The support of unions and the formal organisation of casual workers would help the conditions of the poor, for example at local hubs in Delhi. This may also reduce the search costs for labourers and would encourage more people to migrate for short periods of time, if conditions were known to be better. This is a potentially important source to permanently improve rural livelihoods. Wage labourers also tend to have a higher incidence of serious illness. Some also suffer accidents at work, for which they receive no compensation and this permanently affects their livelihoods. This group has also spent large amounts on medical treatment.

Following the land reform act and the decline in traditional occupations, there are many households now conducting their own agriculture. However, knowledge is poor and formal training in agriculture would help to increase yields. The co-operative society is only supporting those who have good knowledge of agriculture. It is therefore not serving the needs of those who require more help.

The provision of social security for the poorest households needs to improve, so that those who are unable to provide for themselves can access the benefits to which they are entitled, such as state pensions and below poverty line status. There is little formal communication about benefits. Most is through local government officials and the *Panchayat* and therefore those who are in an advantageous situation are more aware about benefits. The literate are also better positioned to take advantage of schemes as many advertisements about benefits are placed in the local newspaper. The State is only experienced through low-level local government officials. Many of these officials do

not keep the poor informed about schemes and insist on the payment of bribes, so the poorest are suspicious of these interventions.

The main reason why the indigent are remaining poor is because of the adverse disproportional impact of a series of different shocks, which they are unable to cope with. The permanent depletion of assets only occurs in the poorest households and it is not a widespread phenomenon. Few households who have been secure are now facing chronic insecurity, with the exception of the elderly. However, the impact of these shocks can last over an individual's lifetime, if it means they receive no education and have to spend many years working to pay off a debt accumulated in their childhood.

The payment of dowries and healthcare expenses are the two ways that families find themselves with an unmanageable debt burden. Healthcare expenses can have a devastating effect on livelihoods, not only in terms of the expense, but also in terms of the loss of earnings on the household and the impact on other members as carers. It is important to question how healthcare is funded as most villagers seek private treatment. Additionally, access to healthcare schemes would minimise the devastating effects that health spending can have on livelihoods. This could be monitored through treatment centres in both the private and public sectors. A government loan system could be an effective way to ensure that villagers do not have to sell their assets for throw-away prices during a health crisis. A health insurance scheme could also be a possible way of financing provision. There is a high awareness of the devastating impact that health spending can have on livelihoods. Because there is greater access to health care in Sadangarh, people will pay to use it, whether they can afford it or not.

Schemes to encourage new business ventures, such as IRDP, are not effective in isolation because the poorest households should work in tandem with schemes which build skills and capacity within the local population, so that villagers are more likely to succeed in their business ventures.

The poorest remain poor and unaware of their rights. The households who most need assistance are those least aware of State interventions. Those who are regularly skipping food are from physically and socially deprived groups, such as widows and the elderly. More emphasis needs to be placed to directly target these groups and to monitor whether benefits are received on a longer-term basis.

In villages such as Villanpur and the hamlets of Sadangarh, there is no effective political representation, because governance is controlled by the local *Panchayat*, which looks after those closest to it. More attention is needed to marginal areas within different *Panchayat* administrations, to ensure those living in hamlets are represented.

7.1 Conclusion

Livelihoods have improved and market forces continue to lift many households out of relative poverty. However, those most socially and economically disadvantaged are not in a position to benefit from the workings of the free market. For the majority, households can and will survive adequately under prevailing conditions and direct intervention only marginally affects those who have the capability to secure their livelihoods. However, assistance is really needed to help the indigent, who lack the physical and social capability to improve their situation. Until these people can adequately be identified and receive assistance, additional direct intervention at the village level can achieve little.

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Appendix 1 Detailed Outline of Methodology

The following section outlines in detail the four stages of employed in the methodology.

1. Analysis of census data

As part of a broader livelihoods study, a census was conducted with every household in the village. This provided basic demographic information relating to the composition of the households, education levels, current livelihood options, assets, annual income by sector, debt, details of organisational membership and beneficiaries of government schemes. The census data was primarily analysed by sub-caste group, to provide an understanding of the current livelihood options, investments and relative wellbeing of different communities.

2. Analysis of household survey

The purpose of the survey was to capture information on change within the last fifteen years. The survey was both qualitative and quantitative in nature and was designed to capture information on the following indicators of socio-economic class, wellbeing and mobility, in addition to those provided in the census:

- educational history;
- livelihood changes;
- sale and purchase of assets;
- windfalls, investments, extraordinary expenses;
- changes in well-being;
- coping strategies.

A random sampling method was used to select households for survey. Around 25% of households were interviewed in each village to give a statistically significant sample.

In Sadangarh, households were first analysed according to their sub-caste groups, which revealed a significant amount of commonality between households, e.g. in terms of current livelihood activities, longer term strategies for investment, access to new opportunities and income. Due to the number of sub-caste groups within Sadangarh, certain sub-groups were analysed collectively in the case of OBC artisans/service providers.

However there are also significant differences within sub-caste groups that quite diverse livelihood trajectories are observed, primarily due to variations in initial asset endowment, both physically and socially. Therefore analysis on the basis of initial asset endowment has been conducted within different sub-caste groups to reflect class differences.

As a single caste village, Villanpur has been analysed differently. Although livelihoods are highly diverse, diversity was not the most important measure for livelihood clustering, as many activities do not provide a significant source of income. Therefore, the amount of agricultural land farmed was used as a proxy of socio-economic class. Instead of using the absolute amount of land farmed, the key variable linking livelihood trajectories is the number of months for which agriculture is sufficient and the type of agriculture engaged in.

3. Focus groups and key informant interviews

These segments were further researched using a mixture of focus group discussions and key informant interviews. The objectives for this stage of the qualitative research were to investigate the:

- impact of livelihood change on the well-being of households within different sub-caste groups;
- threats/opportunities facing different communities;
- dynamics of socio-economic mobility for different sub-caste groups;
- coping mechanisms available to different communities;
- risk mitigation strategies amongst different communities; and
- trends for the selection of household case studies.

Key informant interviews and focus group discussions were conducted with both men and women from each different livelihood segment.

4. Case studies

A case study methodology was used to understand coping and insurance strategies and mobility of different households over the respondent's lifetime, with particular emphasis on the last fifteen years. The approach provides a rich understanding of the fortunes and strategies of households over time and enables detailed analysis of decision-making moments and choices. The selection of households was based on the segmentation of households into livelihood groups. From these groups, several households were selected to reflect the trend within the livelihood group.

The objectives for this part of the study were as follows:

Downward mobility

To understand:

- which shocks or trends lead to downward mobility and the factors which make people more vulnerable to these shocks;
- how people cope with these events and the factors which enable some households to cope better than others;
- the impact these events have on future well-being, poverty and vulnerability;
- how people insure or mitigate against these risks of negative events and the ability of some households to do this better than others.

Upward mobility

To understand:

- the impact of shocks or trends which lead to upward mobility and the factors which enable people to respond positively to these opportunities or events;
- how people to take advantage of these opportunities, and how some are able to respond better than others;
- the impact these events and their responses have on the future well-being, poverty and vulnerability of households;

- how people position themselves so that they are best able to take advantage of such positive events occurring.

Interviews were focused around three lifetime events. Where possible, one negative event and one positive event were probed in depth. When deciding which events to probe in detail, particular attention was paid to the impact of migration and policy on coping and accumulation.

Case studies were selected from most livelihood groups identified from the analysis of the household survey data. Overall, case studies were selected because they illustrated the mobility trend evident in the group. Patterns of downward or upward mobility within the segments are fairly uniform and case studies were therefore selected to illustrate the main reasons why households within that livelihood group have been able to move into or out of poverty. See Tables A2.1 and A2.2 in Appendix 2 for a full list of case studies and rationale for their selection.

Appendix 2 Case Study Selections

Table A2.1 Sadangarh case study selection

Case	Mobility	Key explanatory structural change	Justification for case study selection
GC: Thakur, Khare.	Stagnant, downwards	Land-ceiling act – declining profitability of agriculture despite GR.	Small sample.
GC: Jain.	Very up	Land-ceiling act and profitable businesses. Better education and new service jobs.	Jain who conducts business in Tikamgarh and Sadangarh. Also admits to money lending.
GC: Brahman.	Just up	Doing well in shops due to increase in demand for consumer goods. Better education, good government service jobs. Some agriculture under land-ceiling act, but less privileges than before as priests.	Brahman, employed by the post office, who has benefited under many government schemes including land-ceiling act. Family have historically close relationship with ruling family.
OBC: Lodhi/ Kushwaha. Medium/large cultivators.	Very up	Shared households. Intensification of agriculture, trade and reinvestment.	Lodhi farmer who jointly farms land with extended family and has managed to triple the size of landholding since his father's time
OBC: Lodhi. Medium cultivators.	Very up	New opportunities in non-farm economy leading to diversification into ice cream, machinery repair, driving, milk selling.	Medium farmer who has encroached land and diversified into the milk business. He has good political connections with MLA and a debt burden, serviced by further loans from different moneylenders.
OBC: Lodhi/ Kushwaha. Small cultivators.	Down	Land division and population increases.	Kushwaha farmer with apathetic outlook, who is relying heavily on wage labour for first time in recent years.
OBC: Sahu. Other.	Just up	Improved agriculture and business during agricultural lean season.	Small farmer who Share crops land, sells ice cream and grows vegetables.
OBC: Sahu	Up	Caste occupation profitable as others have diversified elsewhere. Others finding own jobs in new economy – generally enterprising.	Small population.
OBC: Namdev, Lohar, Vishwakarma, Soni, Napit.	Just up	Decreased demand for caste occupation – learning new skills or trading newly demanded goods – two case studies due to diversity.	Blacksmith who has increased his <i>kisani</i> base and diversified into welding business. Doing well in business. Agriculture Share cropped out. Tailor who has invested in new machine and benefited from several government schemes.

Caste	Mobility	Key explanatory structural change	Justification for case study selection
OBC: Namdev, Napit, Vishwakarma, Lohar, Kumbhar.	Very down	Decline of <i>kisani</i> relationship and demand for services. Worse skills base, generally poorer and therefore less able to adapt.	Tailor who has been looking after family agriculture, but who has not started doing caste occupation, but not very successfully.
SC/OBC: Dhimar/Rajak, Napit.	Just up	Better agriculture due to Green Revolution. Agriculture almost completely replacing caste occupation – low security, but better than previously.	Rajak who has taken up caste occupation recently and formed a music band. Agriculture providing most secure income. Outlier – teacher from Dhimar community with a Masters degree. Other brothers push in hand cart business in Tikamgarh, whilst father into agriculture.
SC: Ahirwar, Chadhar, Bunkar/ST.	Very up	Land-ceiling act, outmigration for significant part of year and re-investment in agriculture.	Adivasi who is doing wage labour in Delhi, whilst father looks after agriculture. Involved in Ekta Parisad. Ahirwar who is now concentrating in agriculture following land reform act. Agriculture providing year round food. Son doing mason work.
SC: Ahirwar, Chadhar, Bunkar/ST.	Very up	Land-ceiling act, outmigration for significant part of year and re-investment in agriculture.	Ahirwar who is now concentrating on agriculture following migration. Benefited under IRDP scheme. Bunkhar who is doing agriculture and wage labour. Problems coping following death of brother.
SC: Bunkar, Basod, Chadhar.	Down	Non and Agricultural wage labour – no outmigration, marginal land.	Chadhar – marginal farmer doing mainly agricultural wage labour, land Share cropped out.
SC: Bunkar, Basod, Chadhar, Gadaria.	Down	Wage labour and goat-rearing due to decreased returns from herding.	Gadaria – family has become poor due to loss of goats. Now depending on agriculture and wage labour. Chadhar – landless goat rearers, surviving by rearing goats and wage labour.
Socially disadvantaged	Very down	Scavenging and relying on good will of others	Chadhar – lame OAP, receiving no benefits bringing up her two grandchildren single-handed.

Source: ODI village census

Table A2.2 Villanpur case study selection

Respondent	Annual income (Rs)	% income (Ag)	Socio-economic status	Current household livelihood activities	Rationale
Group 1 55 years old 5 acres Grade A	40,040	98	Up	Agriculture Wage labour (son) Dry fish business Boat/thresher hire	Medium farmer who invested in non-farm enterprise (ice business). Beneficiary from government schemes, successful encroachment/ purchase of land.
Group 2 48 years old 3 acres Grade A	22,000	64	Down	Agriculture Wage labour (son) Service job (son) Women – agricultural migration	Heavily indebted due to illness. Relatively well educated and sons have attempted to get government jobs. Wife involved in wage labour and agricultural migration.
25 years old 0.75 acres Grade A	5,500	16	Up	Wage labour Caste occupation Agriculture Share cropping	Purchased 0.5 acres of land. Bad experience of outmigration, now only works in village.
40 years old 0.5 acres grade A 4 acres grade B	4,500	73	Same, but insecure	Agriculture Wage labour, occasionally urban Share cropping	Previously worked in forest department, now concentrating on agriculture. Has encroached 4 acres of land near riverbank.
Group 3 28 years old 0.75 acres Grade A	4,000	13	Same, but insecure	Agriculture Goat rearing Agricultural migration Wage labour Share cropping Caste occupation	Highly diversified livelihood portfolio, but still very poor. Bad experience of outmigration. Goat selling, effective coping strategy.
16 years old 0.75 acres grade A	6,100	61	Down	Agriculture Wage labour	Lost both parents from tuberculosis at a young age. Eldest brother also murdered. Sold 0.75 acres to cover costs. Supporting younger brother and migrating to Bhind for mustard harvesting.
Group 4 25 years old Landless	2,790	(SC) 3 months	Same, but insecure	Share cropping (SC) Wage labour outside	Spends more time outside village than others, better connections in wage labour. BPL ration card.
40 years old Landless	6,600	77	Down	Wage labour Share cropping	Lost land from forefathers in family dispute. Now dependent on wage labour and migration. Benefited from Kutir Abas government scheme.