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# A Village, a Country and the Discipline: economic development in Palanpur over seven decades

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# A VILLAGE, A COUNTRY AND THE DISCIPLINE: ECONOMIC DEVELOPMENT IN PALANPUR OVER SEVEN DECADES

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# PLAN OF LECTURE

- **Section 1 : Questions, role of longitudinal village studies, key features of change**
- **Section 2 : The village and the surveys**
- **Section 3 : The changing village**
- **Section 4 : A changing India**
- **Section 5 : Poverty, inequality, mobility**
- **Section 6 : Women in Palanpur**
- **Section 7 : Policy and the future of the village**
- **Section 8 : Theories of development**

Not all slides will be presented but are included here to give an overall picture of the work. The work is led by Himanshu (JNU, Delhi), Peter Lanjouw (Free University of Amsterdam), and Nicholas Stern. Dipa Sinha has led the work on women in Palanpur. We are grateful to teams in LSE and JNU and to DfID and the Centre de Sciences Humaines in Delhi for their support.

# SECTION 1 : QUESTIONS, ROLE OF LONGITUDINAL VILLAGE STUDIES, KEY FEATURES OF CHANGE

# QUESTIONS AND LONGITUDINAL STUDIES

- **India and Palanpur.**
  - Study of **one village over 60 years** can help us understand essentials of how India is changing. **Seven studies**, one for each decade since Independence.
  - India's development shapes change in **Palanpur**. Change in India clearly influences change in Palanpur.
- **Theory and Palanpur.**
  - Change in Palanpur can raise questions about strength of and insights from theories of development.
  - Theories of development should be able to illuminate change in Palanpur; growth and distribution central to subject since Smith, Ricardo and Marx; changing institutions, behaviours and markets, more modern.
  - Focus on changing functioning of village economy and institutions and on changing fortunes of individuals and households, and thus distributional outcomes.
  - Thus we ask how received theory can help understand (i) key broad features of change and how markets and institutions develop and function; (ii) how and why some individuals and households fare better or worse than others.
- In each of India-Palanpur and Theory-Palanpur the interaction is both ways.

## KEY FEATURES OF CHANGE OVER SEVEN DECADES : GROWTH

- Growth of population around 2% p.a. Income per capita a little above 2% p.a. across period; similar to India in first part; slower in second. Little outward migration so far but a lot of commuting.
- Asset ownership, both for production and consumption, has risen strongly. But Palanpur remains a poor village.
- In first part of period, growth driven by agricultural change (irrigation, capital, “green revolution”) but by growth of non-farm income in second part.
- Non-farm activities have been mostly services, construction and agricultural-related. Mostly informal and not manufacturing.
- Greater capital intensity in agriculture has released labour.

## KEY FEATURES OF CHANGE OVER SEVEN DECADES : DISTRIBUTION

- Poverty has declined as overall incomes have grown, but much uncertainty and fluctuation.
- First 30 years little trend in inequality; has risen in last 30 years with growth of outside income. Some people take opportunities before others (Deng Xiao Peng, Kuznets...).
- Mobility and changing inequality particularly within caste.
- But Muraos (cultivating caste) did relatively better in first part of period but less so in second. Dalit group (Jatabs) began to take some outside opportunities in second (largely unskilled manual but higher wages than village).

## KEY FEATURES OF CHANGE OVER SEVEN DECADES : INSTITUTIONS AND SOCIETY

- Institutional change has played key role in development but development has also influenced institutions; strong endogeneity. For example:
  - Zamindari abolition fostered agricultural investment, particularly irrigation, in early part of period.
  - Outside work has changed contractual arrangements for tenancy (supervision more costly, more cash rent) and labour markets (Jatabs have more market power and ability to rent in land).
- Political power within village influenced by external politics – some reservation of Pradhan position to women and Dalits.
- Examples of some class/caste groups (here Thakurs) controlling various unofficial and official credit outlets.
- Public services around health and education weak and little social organisation to insist on improvements; switching to private sector.
- Women's' voice largely excluded.
- Entrepreneurship and investment play a key role in shaping upward changes in livelihoods whether they be investment in agriculture or new off-farm activities. Bad luck or “dissipation” downwards.



## SECTION 2 : THE VILLAGE AND THE SURVEYS

## PALANPUR: THE VILLAGE AND THE STUDY

- A small village in Moradabad District, Uttar Pradesh.
  - Small holder agriculture (wheat, paddy, sugarcane ...).
  - Diverse caste structure (dominant castes by population: Thakur, Murao and Jatab).
- Has been surveyed seven times.
- Original choice of village by Bliss and Stern (1974). Criteria:
  - Studied before.
  - Ability to live independently of a caste or household.
  - Proximity to Delhi (not too close, not too far).
  - Ability to look both at “green revolution” and at, then, current theories of development.
  - Thus criteria that wheat and tenancy strongly present.
  - Nothing ‘particularly unusual’ about the village.

## PALANPUR VILLAGE IN MORADABAD, UP



## THE INITIAL AERC SURVEYS

- Was chosen in 1957 by AERC to study the impact of “Cooperatives”: the choice of Palanpur was due to the inclusion of the village in the Integrated Cooperative Marketing Scheme.
- Palanpur during the first survey was served by three cooperative societies, the cooperative credit society, the cooperative seed store and the cane development cooperative credit union.
- First two surveys were by the AERC in 1957-58 and 1963-64 with 1957-58 survey as the base line.
- Surveyed by same investigators (led by S.S.Tyagi Sr).
- Census of village.
- Very rich questionnaire.
- Detailed report available (Ansari report).

## 1974-75 SURVEY

- Was led by Christopher Bliss and Nicholas Stern assisted by S.S.Tyagi Jr (brother of S.S.Tyagi Sr) and V.K.Singh.
- Involved a stay of nine months in the village.
- Primarily focused on agricultural production and tenancy practices.
- Extensive collection of data on agricultural incomes and expenditures.
- Used detailed accounting exercises to calculate incomes from crop cultivation as well as livestock.
- Limited information on non-farm activities.
- The data were used, *inter alia*, to analyse the impact of “green revolution” on markets, risk, tenancy and agricultural practices. And to reflect on then current theories around factor markets.

## 1983-84 SURVEY

- Jean Dreze and Naresh Sharma stayed in the village for 15 months.
- Extensive data on agricultural practices were collected.
- Non-farm income data were also collected in detail.
- Other than good quality quantitative data, it also generated lots of qualitative data on various aspects of village economy, discussion questionnaires...
- Diaries were kept by Jean throughout the stay in the village which also covered various social, political and cultural aspects of village life.

## 1993 SURVEY

- A quick survey (Jean Dreze/Naresh Sharma).
- Basic updating of land and population profile.
- No effort to collect data on agricultural production but tenancy information collected.
- Information on assets (durables) and occupation pattern were collected.

## 2008-2010 SURVEY

- Most comprehensive and longest.
- Team of researchers stayed in the village for two years. Women involved in research team.
- Originally planned for one year but extended because of 2009 being drought year.
- Data on agricultural practices, production and non-farm were collected in great detail.
- Particular focus on quality of data and coverage of various aspects of village economy.
- Scope was expanded to include health, education, gender, consumption expenditure and so on.
- Extensive qualitative data as well as diaries.
- Follow-up surveys in worksites in nearby urban areas.



## 2015 SURVEY

- Quick follow up using tablets.
- Basic demographic data, occupational data.
- Cropping pattern, tenancy and assets.
- No systematic effort to collect incomes but some estimates available.
- Literacy, access to public services and village institutions.

## LONGITUDINAL VILLAGE STUDIES

- Start young, live long, find younger colleagues.
- Early advice was “convince them that you are mad but harmless”. Do not try to be an agent of change.
- Use multiplicity of data and information gathering (questionnaires, discussions, diaries, observation...).
- Work to get data in comparable form over time; not always easy if not designed initially as seven decade study. This was a major exercise.
- Combine the approaches of social sciences and humanities more generally, including economic history, sociology, anthropology... with more formal statistical.
- Creates special opportunity to understand mechanisms and processes of change.





















## SECTION 3 : THE CHANGING VILLAGE

## BROAD ECONOMIC INDICATORS OF CHANGE IN PALANPUR

Year	1957-8	1962-3	1974-5	1983-4	1993	2008-9
Population	529	585	750	977	1133	1255
Number of households	100	106	112	143	193	233
Average Household Size	5.3	5.5	6.7	6.8	5.9	5.4
Real per capita income (at 1960-1 prices)	189.63	211	265.11	237.69	NA	411.88
Per capita land owned(bigha)	5.2	4.64	3.33	2.65	2.1	1.59
Gini coefficient: Land owned per capita	0.47	0.44	0.42	0.48	0.45	0.45
Gini coefficient: Land operated per capita	0.44	0.38	0.32	0.43	0.43	0.4

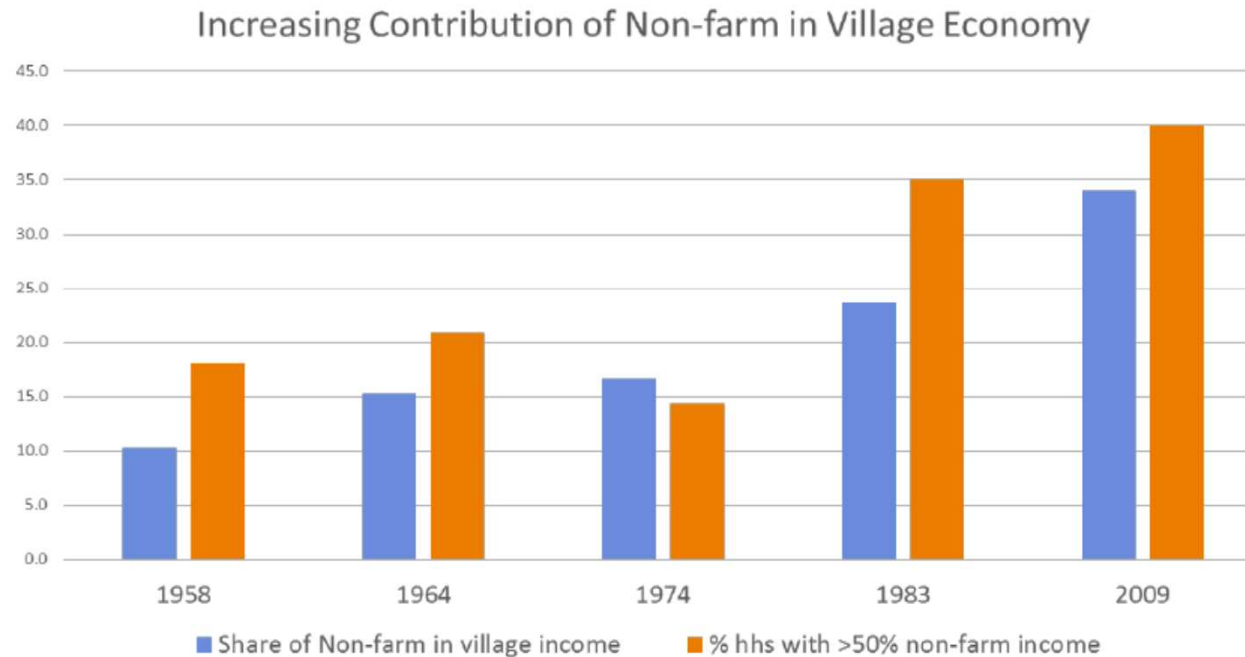
- The population and per capita incomes more than doubled since 1957-8.
- An increasing nuclearisation of joint family households.
- Significant decline in per capita land ownership.
- Some tables will go to 2008/9, others to 2015 (lighter data availability for 1993 and 2015).

## AGRICULTURAL OUTPUT AND AGRICULTURAL WAGE GROWTH

	1957-58	1962-63	1974-75	1983-84	2008-09
Wheat yield (tonnes/hect.)	0.65	0.65	1.81	1.60	4.25
Price Index (CPIAL)	1.07	0.98	3.78	5.28	30.95
Daily product wages (kg. wheat/day)	2.5	2.25	3.1	5	9
<b>Annual growth rate</b>		<b>57-62</b>	<b>62-74</b>	<b>74-83</b>	<b>83-08</b>
Wheat yield		0.00	8.9	-1.4	4.0
Prices (CPIAL)		-1.74	11.91	3.78	7.33
Product wages		-2.09	2.71	5.46	2.38

1957/58 and 1974/75 were good years for agriculture and 1962/63 and 1983/84 were bad years, 2008/9 fairly normal. Slower growth in productivity per hectare in second half of period.

## NON-FARM HAS EMERGED AS NEW DRIVER OF CHANGE IN THE VILLAGE



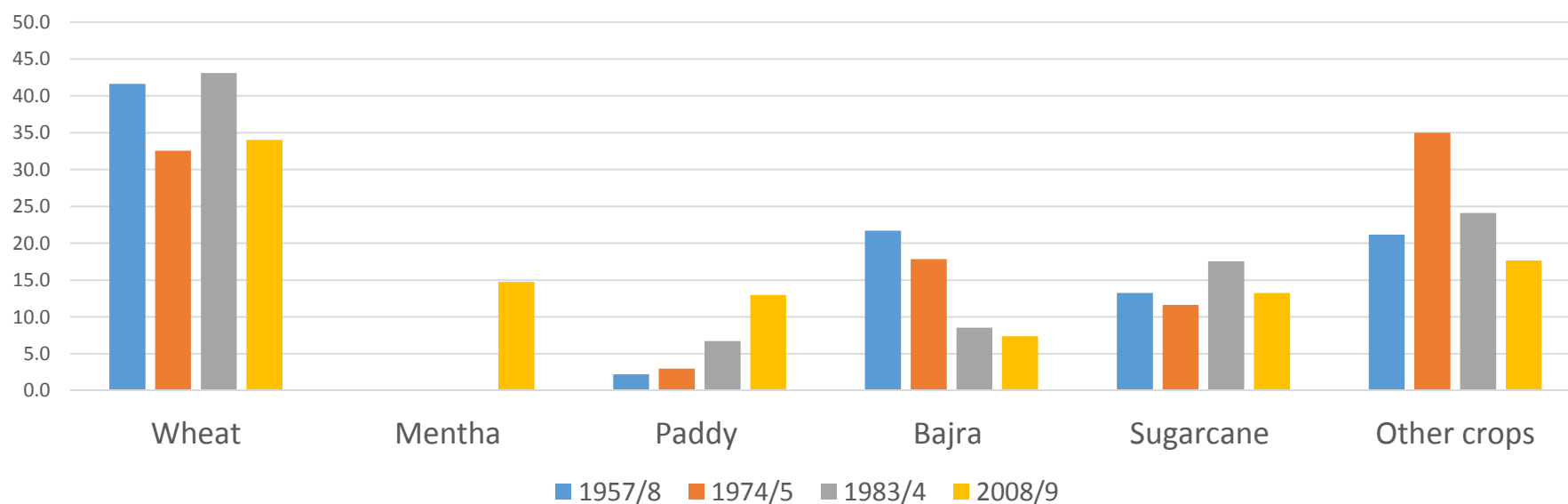
Various definitions of non-farm; this one is fairly narrow (sources other than agriculture and livestock); broader definitions show still stronger increases.

## MECHANISATION IN PALANPUR OVER 50 YEARS

	1957-8	1962-3	1974-5	1983-4	1993-4	2008-9
Tractors	0	0	0	1	8	15
Bullocks	235	240	197	124	138	93
Persian Wheels	21	29	28	28	0	0
Bore-well	0	0	9	28	36	76

**CROPPING PATTERN IN PALANPUR: NEW CASH CROPS SUCH AS MENTHA HAVE EMERGED.  
DECLINING SHARE OF COARSE CEREALS SUCH AS BAJRA AT THE EXPENSE OF PADDY**

Cropping Pattern in Palanpur (share of gross cropped area)





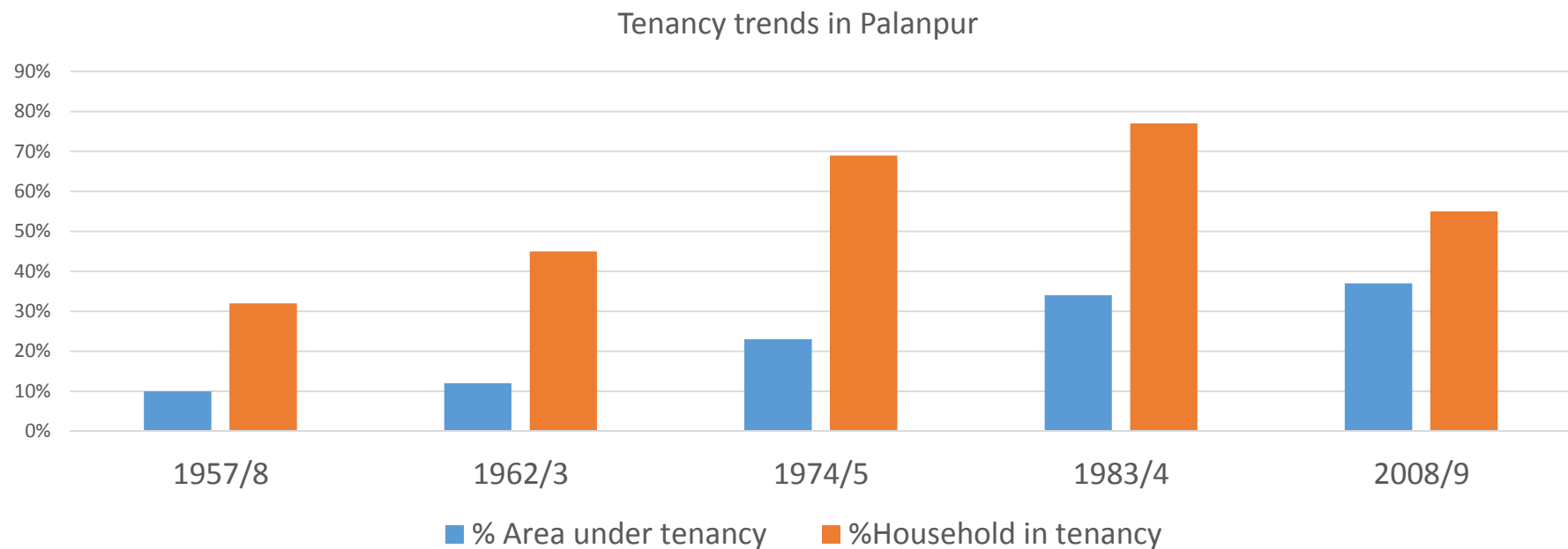
## CULTIVATION DETAILS FOR SELECTED MAJOR CROPS IN PALANPUR I

Crop	1957–8	1962–3	1974–5	1983–4	2008-09 <sup>a</sup>
<b>1. Wheat: Still the main crop</b>					
a) Area cultivated (bighas)	879	767	1030	1573	984 (1438)
b) % of total cultivated area	52	48	46	57	48 (71)
c) Yield (kg/bigha)	41	41	114	101	224 (223)
d) 'Normal' Yield (kg/bigha)	40-50	50	100	150-60	230
d) Real Output Value/bigha <sup>1</sup>	16	22	41	27	69 (69)
<b>2. Mentha : A New Cash Crop</b>					
a) Area cultivated (bighas)	0	0	0	0	226 (728)
b) % of total cultivated area	0	0	0	0	11 (36)
c) Yield (litres/bigha)	n/a	n/a	n/a	n/a	3.9 (2.9)
d) Real Output Value/bigha <sup>1</sup>	n/a	n/a	n/a	n/a	62 (47)
<p>1. Real values are obtained by deflating with price deflators based on the Consumer Price Index for Agricultural Labourers (CPIAL) for Uttar Pradesh. All values are in 1960–1 rupees.</p> <p>a. The figures in brackets show total figure including plots sown with mixed crops.</p>					

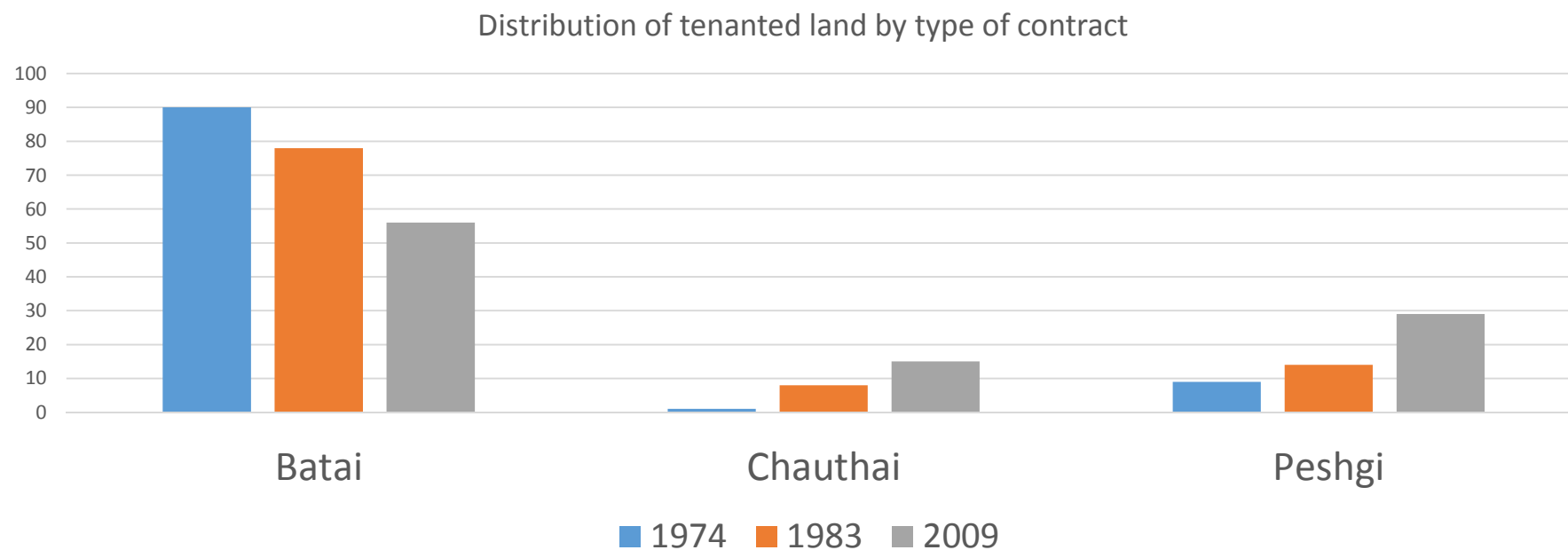
## CULTIVATION DETAILS FOR SELECTED MAJOR CROPS IN PALANPUR I

Crop	1957–8	1962–3	1974–5	1983–4	2008-09 <sup>a</sup>
<b>3. Paddy: Growing in Importance</b>					
a) Area cultivated (bighas)	70	274	125	266	493
b) % of total cultivated area	5	17	6	12	24
c) Yield (kg/bigha)	11	26	103	130	186
d) Real Output Value/bigha <sup>1</sup>	2	10	33	34	96
<b>4. Bajra (Pearl Millet): Secondary Kharif crop, less resource intensive</b>					
a) Area cultivated (bighas)	644	638	610 (730)	137 (363)	208 (425)
b) % of total cultivated area	46	40	29	6	10 (21)
c) Yield (kg/bigha)	34	27	59	48	79 (54)
d) Real Output Value/bigha <sup>1</sup>	10	12	20 (20)	12 (14)	16 (11)
<b>5. Sugarcane: Decline and Revival</b>					
a) Area cultivated (bighas)	391	430	463	886	214 (388)
b) % of total cultivated area	28	27	22	39	11 (19)
c) Yield (quintal/bigha)	n/a	n/a	21.3	12	31
d) Real Output Value/bigha <sup>1</sup>	34	34	72	43	99
<p>1. Real values are obtained by deflating with price deflators based on the Consumer Price Index for Agricultural Labourers (CPIAL) for Uttar Pradesh. All values are in 1960–1 rupees.</p> <p>a. The figures in brackets show total figure including plots sown with mixed crops.</p>					

**TENANCY IN PALANPUR: ALTHOUGH THE SHARE OF HOUSEHOLDS ENGAGED IN TENANCY HAS DECLINED SINCE 1983, MORE THAN A THIRD OF TOTAL AREA CULTIVATED IS UNDER SOME FORM OF TENANCY**



## CHANGING NATURE OF TENANCY: DECLINING SHARE OF BATAI CONTRACTS



## SHARECROPPING IS “NOT INEFFICIENT”

Productivity Differences between share cropped and non share cropped plots		
	Rabi 2009	Kharif 2008
VARIABLES	Productivity	Productivity
Share	-59.38	-179.96
	-744.48	-305.07
Observations	145	128
R-squared	0.75	0.56
Robust standard errors in parentheses.(***p<0.1;**p<0.05;***p< 0.01). Clustering is done at the household level. Additional controls: effective area, crop fixed effects, location fixed effects and household fixed effects		

we use the following specification for a simple comparison of means:

$$y_{cijk} = a_0 + a_1 * share_{cijk} + a_2 * area_{cijk} + \delta_j + \tau_c + \omega_k + \epsilon_{cijk}$$

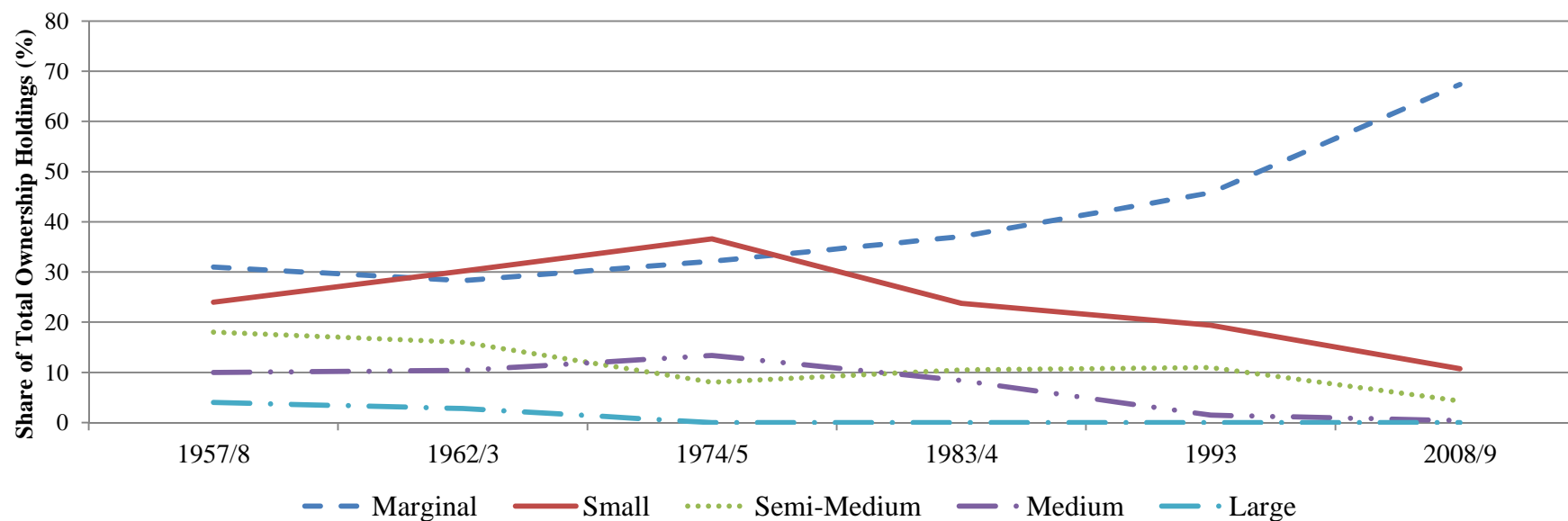
where  $y_{cijk}$  is profit per bigha for plot  $i$  at location  $k$  in the village where household  $j$  grows crop  $c$ .  $share$  is a dummy variable that takes value 1 if the land is leased in on sharecropping, 0 otherwise.  $area$  is the effective area of the plot, adjusting for the fact that some plots are joint cropped.  $\tau$  is crop fixed effect,  $\omega$  is location fixed effect and  $\delta$  is the household fixed effect.

**LAND: LAND OWNED BY PALANPUR RESIDENTS HAS DECLINED AFTER 1983 BUT LESS SO  
OPERATED AREA (PRIMARILY THROUGH LEASING IN THE LAND SOLD TO OUTSIDERS).  
NO SIGNIFICANT CHANGE IN LAND INEQUALITY**

Palanpur 1957–2009: Selected Indicators						
	1957-58	1962-63	1974-75	1983-84	1993	2008-09
<b><u>Owned Area</u></b>	2747	2331	2498	2596	2380	2075
Operational Area	2723	2783	2438	2650	n.a.	2264
Number of Landless Households	14	12	17	27	44	42
<u>Land owned per capita (bighas)</u>	5.2	4.7	3.3	2.7	2.1	1.6
<u>Land cultivated per capita <sup>a</sup> (bighas)</u>	4.1	4.8	3.2	2.8	2.1	1.8
Proportion of leased-in land to cultivated land (%)	10	12	22	28	26	36
Proportion of irrigated land to owned land (%)	52	46	96	96	96	100
Gini coefficient: land owned per capita	0.49	0.47	0.49	0.5	0.52	0.52
<b><u>Gini coefficient: land cultivated per capita</u></b>	0.48	0.45	0.44	0.51	0.52	0.47
<sup>a</sup> 'Land cultivated' or 'Operational area' is calculated as (land owned) + (land leased in) - (land leased out).						

# DISTRIBUTION OF LAND HOLDINGS ACROSS SURVEY ROUNDS

Distribution of Ownership Holdings, by size-class



Marginal: 0.1-15 bighas; Small: 15-30 bighas, Semi-medium: 30-50 bighas; Medium: 50-100 bighas; Large: more than 100 bighas. 16 bighas=1 hectare. Reflects overall decline in land per person.

## OCCUPATION PATTERN IN PALANPUR: 1958-2015

	1957/8	1962/3	1974/5	1983/4	1993	2008/9	2015
student	1	7	4	10	30	40	22
None	7	19	23	20	29	20	63
Cultivation & Livestock	130	135	137	141	188	128	113
Casual labour(Farm)	21	3	7	11	17	6	4
Casual labour(Non-farm)	0	2	0	24	28	85	116
Regular Employment	7	13	44	60	33	49	43
Self-Employment (Non-Farm)	6	6	5	23	21	67	69
Total	172	185	220	289	346	395	430

Rise in casual non-farm.



# HUMAN DEVELOPMENT OUTCOMES: EDUCATION

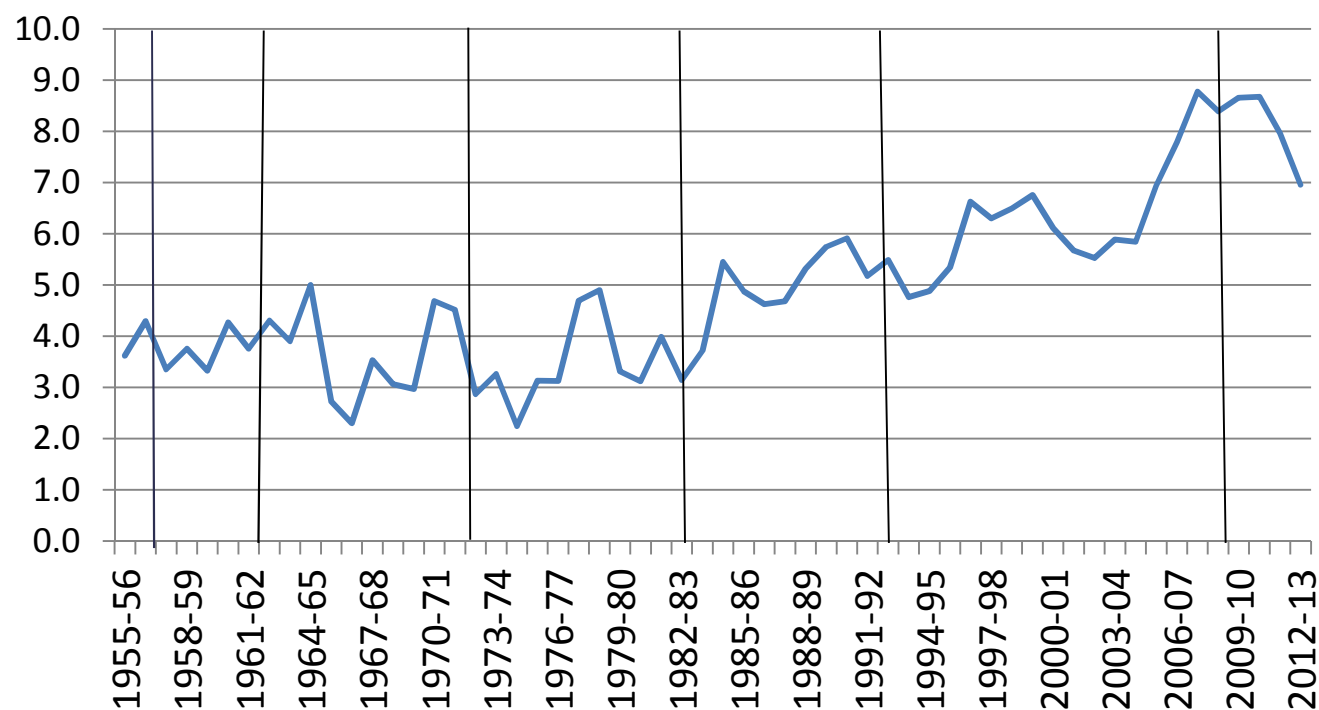
- Increase in households choosing to educate their children in last 25 years.
- Literacy rate has doubled - 23% in 1990s to over 50% in 2009.
  - Increase in literacy rate of Muslims (Dhobi and Teli).
  - Increase in literacy rate of Murao females.
- Improvement in literacy rates and enrolment ratio of children aged 7-18 across social groups and gender.
- Modest improvements in education of Jatab and Muslim boys, albeit lower than that of other social groups.
- No Jatab girl has completed primary education.
- However, major improvements in enrolment of girls among all socio-economic groups since 1993.
- Only one government primary school but private schools are opening up nearby.

## HUMAN DEVELOPMENT OUTCOMES: HEALTH

- Health facilities have increased but quality concerns remain.
- Malnutrition among children is higher than state average.
- Nutritional status of children and adults has improved.
- However, caste-based inequalities in child nutritional status persist: Jatabs continue to have high malnourishment while Muslim groups (Telis and Dhobis) have seen improvements.
- Vaccination among infants has improved.
- There is vulnerability to health shocks and high out-of-pocket expenditure.

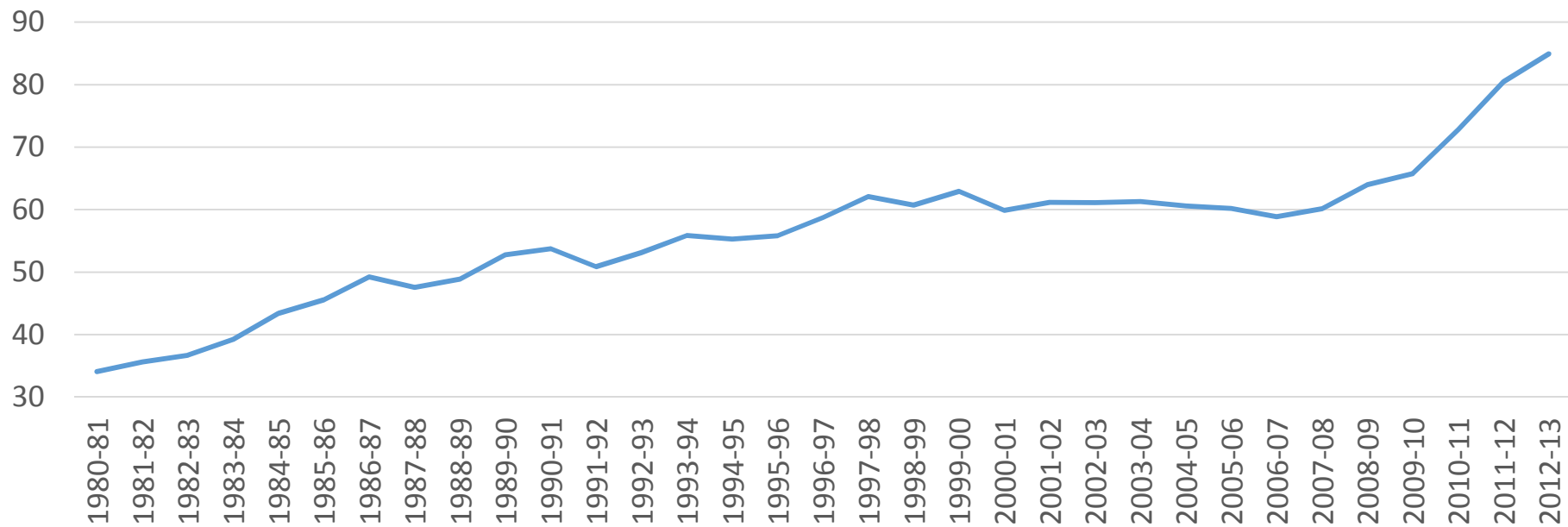
## SECTION 4 : A CHANGING INDIA

## ANNUAL GROWTH RATE OF GDP (5-YEAR MOVING AVERAGE)



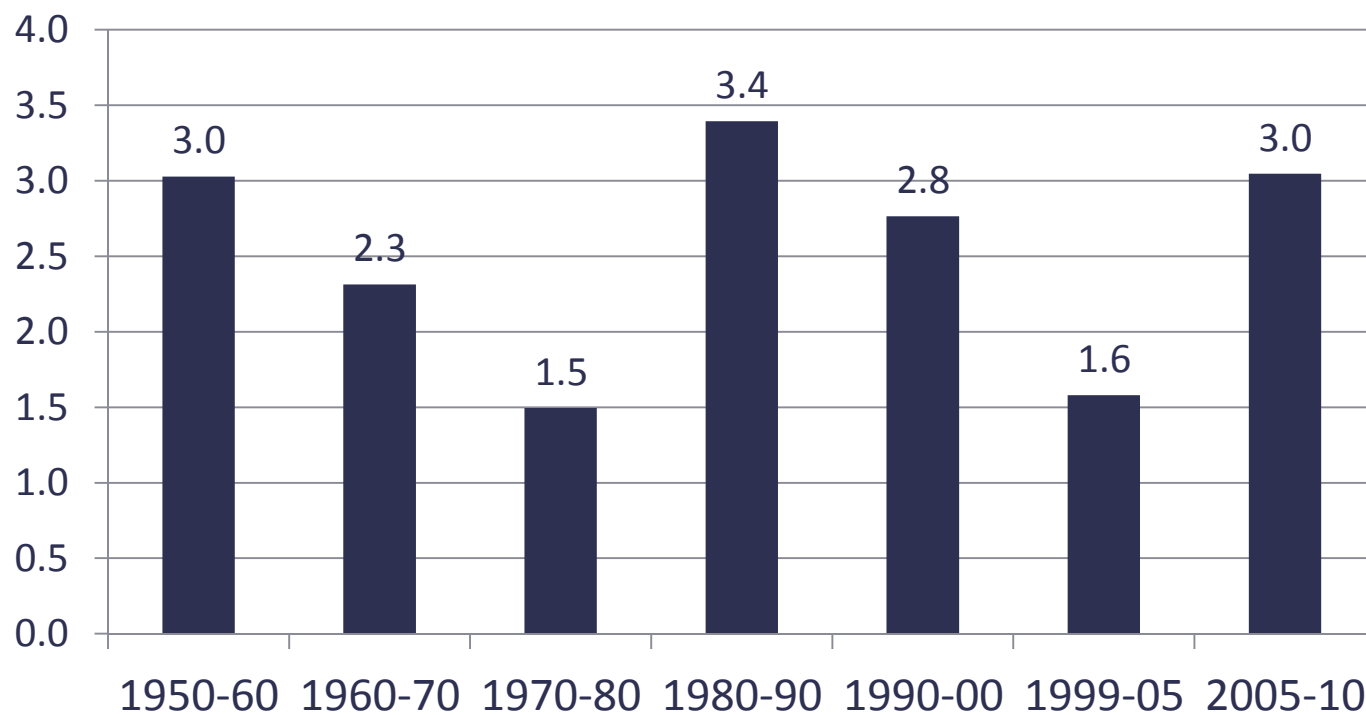
GDP has grown at more than 5% since the mid-1980s.

## REAL WAGES (RURAL MEN) (2004-05 PRICES)



Rural areas benefitted from an acceleration in growth rate of wages. Rural real wages increased at more than 6% per annum between 2008 and 2013.

## AVERAGE ANNUAL GROWTH RATES OF AGRICULTURE GDP



Revival of agricultural growth rates in the later part of last decade.

## THE MAJOR DRIVER OF RURAL NON-FARM EMPLOYMENT IS NOW THE CONSTRUCTION SECTOR

Share of major industry groups in total non-farm employment  
(Rural)



## POWERFUL STRUCTURAL TRANSFORMATION IN RURAL AREAS IN LAST TWO DECADES

- Rising rural prosperity through faster agricultural growth and faster growth of wages.
- Shift of workforce away from agriculture (after years of stagnation in workforce structure).
- Most new non-farm jobs are casual and increasingly in construction sector.
- Greater accessibility of non-farm jobs in recent years by those from bottom quintiles, lesser educated and marginalised groups.
- Opening up of villages, markets, connectivity and communication.
- Greater mobility of people.
- Changing village institutions and politics.
- Palanpur broad trends or “stylised facts” consistent with those for India.



## SECTION 5 : POVERTY, INEQUALITY, MOBILITY

## REAL INCOMES AND POVERTY IN PALANPUR, 1957-2008

	1957-8	1962-3	1974-5	1983-4	2008-9
Per-capita income at current prices (Rs/year)	173	149	1039	1025	11827
Index of per-capita income at current prices	100	86	602	594	6836
Real per-capita income at 1960-1 prices <sup>b</sup>	190	211	265	238	412
Poverty (Rs15 per day in 1960/1 prices)					
% Population Poor	47	54	11	34	20
% Households Poor	45	52	13	40	23

## INEQUALITY TRENDS

Inequality of Individual Incomes					
	1957-8	1962-3	1974-5	1983-4	2008-9
Gini Coefficient	0.336	0.353	0.272	0.310	0.379
Coefficient of Variation	0.650	0.755	0.530	0.578	0.769
Atkinson Index					
e=1	0.173	0.191	0.137	0.170	0.229
e=2	0.319	0.344	0.206	0.366	0.444
No. of observations	529	585	750	977	1255
No. of households	100	106	112	143	233
No. of individuals(households) with missing incomes	0	0	5(1)	8(3)	37(12)

## INEQUALITY DECOMPOSITION BY INCOME SOURCES (GINI COEFFICIENT)

Year				
Source Gini	Cultivation Income	Non farm Income	Other sources	Total
1957-8	0.468	0.825	0.539	0.336
1962-3	0.475	0.836	0.576	0.354
1974-5	0.434	0.685	0.450	0.272
1983-4	0.529	0.598	0.510	0.310
2008-9	0.499	0.645	0.598	0.379
Share of total Income	Cultivation Income	Non farm Income	Other sources	Total
1957-8	0.585	0.133	0.282	1
1962-3	0.567	0.175	0.258	1
1974-5	0.584	0.170	0.246	1
1983-4	0.499	0.317	0.185	1
2008-9	0.300	0.464	0.236	1
Contribution to overall Gini coefficient	Cultivation Income	Non farm Income	Other sources	Total
1957-8	0.639	0.087	0.274	1
1962-3	0.550	0.192	0.258	1
1974-5	0.766	0.037	0.198	1
1983-4	0.639	0.229	0.133	1
2008-9	0.197	0.584	0.219	1

## CONTRIBUTION TO INEQUALITY OF CASTE DIFFERENCES HAS DECLINED IN RECENT YEARS

	Overall Theil L measure	Within caste component (%)	Between caste component (%)
1957-8	0.1896	72	28
1962-3	0.2125	72	28
1974-5	0.1468	87	13
1983-4	0.1861	78	22
2008-9	0.2601	87	13

## RISING INTRA-GENERATIONAL MOBILITY

Panel A: 1957-8 and 1962-3								
		Quintiles of real per capita income in 1962-3						
		1	2	3	4	5	Households in 1962-3	Households in 1957-8
Quintiles of real per capita income in 1957-8	1	0.22	0.33	0.28	0.11	0.06	18	17
	2	0.33	0.38	0.19	0.00	0.10	21	19
	3	0.25	0.20	0.15	0.35	0.05	20	19
	4	0.18	0.09	0.23	0.23	0.27	22	18
	5	0.06	0.06	0.11	0.22	0.56	18	18
Households in 1962-3		21	21	19	18	20	99	91
Panel B: 1962-3 and 1974-5								
		Quintiles of real per capita income in 1974-5						
		1	2	3	4	5	Households in 1974-5	Households in 1962-3
Quintiles of real per capita income in 1962-3	1	0.16	0.21	0.11	0.32	0.21	19	19
	2	0.16	0.37	0.16	0.21	0.11	19	18
	3	0.19	0.19	0.23	0.19	0.19	26	21
	4	0.18	0.14	0.27	0.27	0.14	22	16
	5	0.25	0.05	0.25	0.05	0.40	20	15
Households in 1974-5		20	20	22	22	22	106	89

## RISING INTRA-GENERATIONAL MOBILITY, CONTINUED

Panel C: 1974-5 and 1983-4								
		Quintiles of real per capita income in 1983-4						
		1	2	3	4	5	Households in 1983-4	Households in 1974-5
Quintiles of real per capita income in 1974-5	1	0.23	0.23	0.35	0.08	0.12	26	21
	2	0.30	0.19	0.22	0.19	0.11	27	21
	3	0.15	0.12	0.19	0.27	0.27	26	23
	4	0.08	0.28	0.12	0.28	0.24	25	21
	5	0.10	0.14	0.19	0.14	0.43	21	20
Households in 1983-4		22	25	25	26	27	125	106

Panel D: 1983-4 and 2008-9								
		Quintiles of real per capita income in 2008-9						
		1	2	3	4	5	Households in 2008-9	Households in 1983-4
Quintiles of real per capita income in 1983-4	1	0.08	0.35	0.23	0.23	0.12	26	18
	2	0.28	0.21	0.16	0.14	0.21	43	22
	3	0.20	0.12	0.27	0.17	0.24	41	22
	4	0.14	0.20	0.24	0.20	0.20	49	23
	5	0.08	0.18	0.20	0.34	0.20	50	22
Households in 2008-9		33	42	46	46	42	209	107

## INTRA- VERSUS INTER-GENERATIONAL MOBILITY

- **Mobility analysis suggests that there has been some increase in income mobility, as measured by weight in off-diagonals.**
- **Mobility in Palanpur displays interesting patterns along caste-lines.**
  - Recent rise of Jatabs (historically disadvantaged caste); began to take outside jobs.
  - Decline of Muraos (historical cultivating caste); did well when growth driven by agricultural change.
- **Analysis across generations suggests possibility of *declining* inter-generational mobility.**
  - “Gatsby” Curve: higher inequality is associated with lower intergenerational mobility.
  - New opportunities enhance mobility but richer households have greater probability of taking them.



## PALANPUR: DECLINING INTERGENERATIONAL MOBILITY

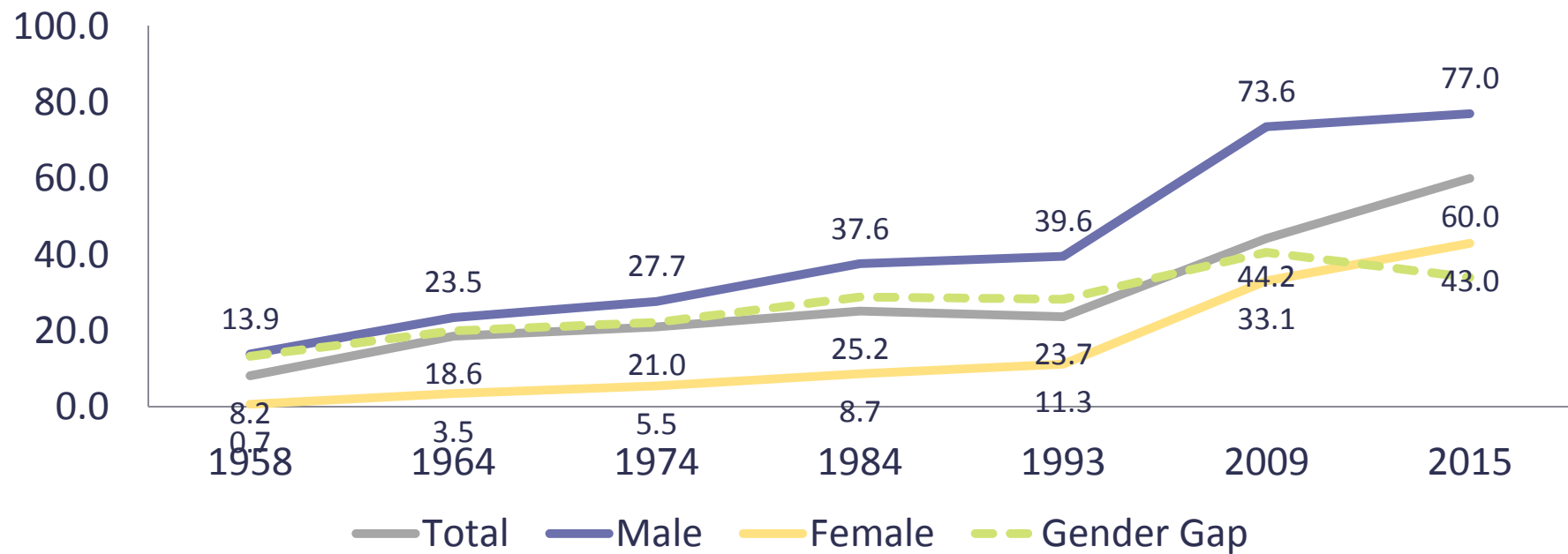
	1958-1983	1983-2009	1958-1974 (1983)	1974(1983)- 2009
Number of observations(in the age group 25-35 years)	58	100	58	100
Gini Coefficient in terminal year	0.336	0.379	0.235	0.379
Intergenerational Elasticity	0.328	0.396	0.294	0.441

Elasticity of relationship between son's income and father's income. Similar coefficient to Atkinson et al. York income study (and their income coefficient was similar to that for height). Palanpur is one of very few that can look at **change** in that coefficient.

# SECTION 6 : WOMEN IN PALANPUR

(Slides from Dipa Sinha)

## LITERACY RATES - PALANPUR



## LITERACY RATES BY AGE (2009) – PALANPUR

Age groups	Men		Women	
	N	%	N	%
7 to 10	55	83.6	68	69.1
11 to 14	62	91.9	43	69.8
15 to 19	83	90.4	69	53.6
20 to 24	60	86.7	56	36.8
25 & above	252	58.3	254	11.0
Total	512	73.6	490	33.2

## CASTE-WISE LITERACY RATES, 7-18 YEARS - PALANPUR

Literacy Rate	1984		1993		2009		2015	
	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
Overall	43.4	13.7	60.1	18.2	89.4	65.8	90	77.8
N	182	153	168	154	180	161	194	207
Caste-wise								
Thakur	55.6	18.2	76.9	44.1	89.1	92.3	100	100
Murao	48.8	3	60	4.4	88.1	65.9	91.4	93.4
Teli	38.1	7.1	43.8	0	100	73.9	95.8	60
Jatab	15.4	0	38.1	0	81.5	46.7	83.3	55.3

## GIRLS'/WOMEN'S EDUCATION IN PALANPUR

- Big increase in girls attending educational institutions – but this not yet showing much impact on employment and other aspects such as autonomy, mobility etc.
- When the current cohort of girls become adults and get married, there will likely be significant changes.
- Parental demand for girls' education increasing but it is not yet seen as something that will get them jobs.
- Education also to increase eligibility in the marriage market.
- The quality of education is very poor. The government school although expanded in terms of infrastructure and now up to class 8, still has serious issues of teacher attendance.
- Shift to private schools – at least teachers come and some teaching-learning happens regularly.

## FERTILITY

- No formal tracking of annual births and deaths.
- Children under 15/adult women in village:

1975	1993	2015
1.9	1.9	1.3

- Number of children age 1 in village/women in reproductive age group:

1958	1964	1975	1984	1993	2009
171.2	135.7	137.8	134.6	130.5	106.0

## IN PALANPUR WOMEN'S TIME SPENT ON...

- All household work.
- Childcare.
- Preparing dung cakes.
- Cutting fodder (except Thakurs).
- Some women in the fields doing agriculture work.



## NUMBER OF WOMEN IN PRIMARY/SECONDARY OCCUPATION OTHER THAN DOMESTIC WORK - PALANPUR

Caste	1958	1964	1984	1993	2009	2015
Thakur	0	1	0	1	5	4
Murao	0	0	7	3	24	18
Other	4	6	13	7	18	8
Muslim	2	2	4	1	8	2
Jatab	0	0	4	5	16	8
Total	6	9	28	17	71	40
Total women above 15 in the village	147	168	236	303	363	394

## MOBILITY AND DECISION-MAKING IN PALANPUR (2009)

Indicator	Percent of Women (of 217)
<b>Economic Decision Making:</b>	
Have a say in spending	74%
Have cash in hand for expenses	88%
Have land in own name	8%
Have a bank/post office account in own name	18%
<b>Mobility (can go the following places alone)</b>	
Local market	31%
Village doctor	62%
Field outside the village	53%
Relative's house	61%
Village temple	70%
Nearby shrine	21%
Parents' house	49%
Health centre	33%

## MEDIA; PUBLIC LIFE – PALANPUR, 2009

Indicator	Percent of Women (of 217)
<b>Exposure to Media (Ever)</b>	
Read newspapers	6%
Listens to radio	26%
Watches TV	34%
Ever gone to cinema	11%
<b>Participation in civic life</b>	
Been to government office (outside or in Palanpur)	14%
Voted in last elections	78%

## SUMMING UP – WOMEN IN PALANPUR

- Women are still largely invisible in the village economy outside the home.
- Restricted mobility.
- High gender gaps in education and employment remain.
- The large recent increase in education gives the hope that there might be a change in the situation in the next 10-15 years.
- The status of women in Palanpur has to be understood in the larger socio-political-cultural context of Uttar Pradesh.

## SECTION 7 : POLICY AND THE FUTURE OF THE VILLAGE

## POLICY IN AGRICULTURE

- **Agricultural extension**
  - Has been weak but information does flow. Difficult systemic institutional issues.
- **Land reform**
  - Rental markets work fairly well. So has consolidation. A distributional issue, but no dominant land owner.
- **Crop insurance**
  - Risk sharing via share tenancy. Diversification via other activities. But life in Palanpur is risky.
- **Fertiliser**
  - May have been case for subsidy 4 or 5 decades ago. Not now. Rationing led to bribes/black markets.
- **Credit**
  - Some oligopolistic domination of official channels linking with local money lenders. Hard to tackle.
  - Can borrow for agricultural assets.
  - Hard to borrow for non-agricultural entrepreneurship.
- Priority for policy around protection (e.g. EGS), human development, and external links.

## POLICY ON HUMAN DEVELOPMENT AND PROTECTION

- **Education**

Weak compared with other villages and states. Absence of teachers. Priority.

- **Health**

Weak compared with other villages and states. Absence of health workers. Priority.

- **Nutrition**

PDS present but functions badly. School meals erratic. Priority for making systems work.

Toilets attached to houses just beginning. Encourage.

- **Women and girls**

In large measure excluded from paid work. Weak representation in schools. Priority.

- **Employment guarantee scheme has provided some protection and helped with some village roads and tracks. Retain/enhance.**

## POLICY ON INFRASTRUCTURE

- Electricity has helped with communication and in-hut pollution.
- Water still via pumps/wells.
- Sanitation: great scope for improvement.
- Transport, telecoms, broadband very helpful in linking to outside economy and growth story of future.



## SPECULATION ON FUTURE (I)

- **Employment/Movement**

- Commuting likely to increase, and many will migrate. Education likely to influence migration; so too information (smart phones...), and experience brought by commuting relatives.

- **Education**

- Has played little role in employment and activities until now, but is beginning to move more quickly. Likely to play strong role in future. Can be fostered by public policy.

## SPECULATION ON FUTURE (2)

- **Agricultural markets**
  - Still stronger rise in mechanisation and marketization enabling greater mobility.
- **Growth and poverty**
  - Growth likely to continue to be driven by outside opportunities. Information flows.
- **Increase in rural-urban interlinkages**
  - urban demand driving changes in agricultural production (vegetables, meat and milk).
  - Integration of labour markets due to improvements in communication and transportation networks.
- **Mobility/Inequality**
  - Mobility and inequality likely to carry on increasing for some time. At some point the mobility force for rising inequality may weaken. Not easy to know when.

## SPECULATION ON FUTURE (3)

- Greater access to education among women and lower castes will imply changes in social and political institutions in the village such as demand for greater accountability in Panchayats.
- This process may also play an important role in improving quality and access to public services such as education, health, nutrition.
- Depends in part on social pressure, political participation and public policy.

# SECTION 8 : THEORIES OF DEVELOPMENT

## LESSONS FOR STUDY OF ECONOMIC DEVELOPMENT (1): GROWTH

- Lewis/Kuznets and standard dual economy models provide insights helpful on role of sectors outside traditional agriculture but potentially misleading on nature of process of how activities change.
  - Commuting versus migration.
  - Mixture of activities on-farm and off-farm not zero-one transfer from one to the other.
  - Importance of investments and capital and technical progress within agriculture.
  - Importance of information flows and local organisation in pace, nature and distribution of new activities.
  - ***Informal is normal.*** Avoid bias both in understanding and policy.
- Points to stronger focus on how opportunities arise and how they are taken. Differentials in entrepreneurship, influence of institutions and communications, functioning of politics...

## LESSONS FOR STUDY OF ECONOMIC DEVELOPMENT (2): AGRICULTURE

- Markets for services of land and of labour are active and fairly competitive.
- Behaviour broadly consistent with rational approaches to uncertainty (cf 1982 Bliss/Stern book).
- But constraints are still important: working for those judged lower in social scale; women for most caste groups have very limited scope.
- Information, observation, trust. Preferences for leasing out within caste if possible. Movement to peshgi and chautai as outside activity increases.
- Still no productivity differences between share-cropping and own cultivation.
- Importance of investment and increasing capital as ownership per capita declines and outside opportunities take up time.

## LESSONS FOR STUDY OF ECONOMIC DEVELOPMENT (3): MOBILITY, INEQUALITY, POVERTY

- Mobility is real and linked to new opportunities.
- New opportunities are taken differentially: Deng Xiao Peng/Kuznets: some people get richer before others.
- Prior skills can influence these differentials: Muraos did well in “green revolution”, less well in growth of outside activities.
- Education not yet important in taking new opportunities. Income still has a role.
- Downward mobility linked to bad luck (e.g. illness), poor credit-funded investments, “dissipation”.
- Rise in inequality has depended on nature of new opportunities: fairly even (proportional) benefits of green revolution, less so for outside opportunities.
- Within group changes in inequality more important than between group, but both matter.
- Poverty declines with growth, opportunity, capability and entrepreneurship.

## LESSONS FOR STUDY OF ECONOMIC DEVELOPMENT (4): INSTITUTIONS

- Powerful influence on investment and functioning of markets.
  - Zamindari abolition encourages investment in land.
  - Lower groups could not lease in draught animals and therefore not land. Now markets for tractor services.
  - Within group trust influences land and credit markets.
- Institutions are endogenous
  - Bargaining power and group organisation of Jatabs within village influenced by availability of outside jobs.
  - Nature of tenancy contracts influenced by outside jobs and reduction of ability to supervise.
  - Communications and awareness of outside world influences social relations and market functioning.



## LESSONS FOR STUDY OF ECONOMIC DEVELOPMENT (5): SOCIETY

- Public institutions, including for health and education, have performed poorly in Palanpur. Why has social pressure been weak? Inequality, public administration in UP, role of women...?
- Position of girls and women still weak. Will this change with communications, integration with outside world, education...?
- Politics still problematic and corrupt but there can be real change. For example, reservation of Pradhan for caste and gender has had some influence. Pradhan was “impeached” when behaviour became egregious.
- Nature of village society likely to change as migration accelerates. Village increasingly a residential entity. Picture of village as “closed economy and society” long out-dated.

## LESSONS FOR STUDY OF ECONOMIC DEVELOPMENT (6): LONGITUDINAL VILLAGE STUDIES

- Quality of data depends on presence over time.
- Helps understand survey data.
- Nature of change difficult to understand without direct observation of how markets and institutions function and behaviours change.
- Development, in large measure, about why some people advance more quickly than others. Close observation over long period key to that story.
- The dynamics and endogeneities hard to understand without observation of processes and relationships over extended periods.
- Long-term commitment is very time intensive. Limit to how many such studies can be carried through. But vital to have some.
- Real insight into change in the country as a whole and power and relevance of ideas and theories.



The Eva Colorni Memorial Trust

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# A Village, a Country and the Discipline: economic development in Palanpur over seven decades

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