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# **Pluralism, poverty and sharecropping: cultivating open-mindedness in development studies**

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# **Pluralism, Poverty and Sharecropping: Cultivating Open-Mindedness in Development Studies<sup>1</sup>**

## **GPRG-WPS-008**

by Wendy Olsen

revised version, 2005

### **Biography**

Wendy Olsen lectures in socio-economic research at the University of Manchester. She has been involved in research training workshops under the auspices of the Development Studies Association and the Association for Heterodox Economics. She is currently doing comparative labour research.

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### Abstract

Pluralism adds depth to the mixing of methods in development studies. In this paper, two aspects of pluralism (methodological and theoretical) are described and applied. Pluralism is grounded in an assumption that society has both structure and complexity, and that agents within society actively promote specific ways of describing and interpreting that society. An example –tenancy in India -- is briefly explored, illustrating the ways that pluralists compare theories and conduct empirical research. Pluralist research is often interdisciplinary because of the depth ontology that is involved. Such interdisciplinary research generates a dialogue across epistemological chasms and across theories that have different underlying assumptions. Pluralist research can be valued for its discursive bridging function and such research is illustrated through examples from the tenancy literature. Pluralist research can also contribute to improvements in scientific measurement. Divergent schools of thought can be brought into contact by reconceptualising the objects of research, such as contracts or coercion. In the tenancy literature explored here, alternative ways of measuring and interpreting power arose. Structuralist approaches tended to assume poverty and inequality as part of the context within which economic action takes place. Strengths and weaknesses of such assumptions are examined. Pluralism makes possible increased and improved dialogue about tenancy-related policy changes aimed at poverty reduction.

## **Pluralism, Poverty and Sharecropping: Cultivating Open-Mindedness in Development Studies**

Renting land is a multi-dimensional, multi-market transaction which fascinates scholars. The act of renting land in or out is both an intentional act of agency, and a fluctuating part of the class structure which distributes resources. In this paper deep divisions among theorists will be shown to have implications for poverty studies. In particular, the neoclassical and new institutionalist economists, who theorise tenancy differently from political economy, find that they have to build bridges with political economy before they can embark on linking their research to the anti-poverty agenda. The specific bridges built in this paper relate to measuring productivity, the ethics of challenging poverty; discussing power explicitly; relating government regulation to empowerment; and using a relational approach to poverty rather than a residual approach. The paper arrives at these substantive points through a methodological lens. The methodologies associated with realism are described in this initial section, including methodological pluralism and theoretical pluralism. This particular area of development studies proves a good sowing-ground for cultivating an approach to poverty research that is theoretically pluralist.

In the rest of this introduction, I will introduce the ‘realist approach’ that illuminates the pluralist method. The paper then moves into the specific area of Indian tenancy debates. Section 2 reviews the literature on tenancy, section 3 examines the comparability of theories in the study of tenancy; and section 4 relates the tenancy studies to poverty and inequality. I conclude in Section 5.

### **1.1 Methodological Pluralism**

Critical realists like Sayer (1992) claim that it is possible to have knowledge of social structures even though that knowledge is both fallible and limited. Social knowledge claims are fallible because of the complex interrelation of the real structures with the diverse meanings of those structures to today's society. Knowledge is also likely to be limited in scope, since human knowledge cannot simply mirror or correspond to reality. According to Sayer, false claims can be challenged through the use of empirical evidence, but there will remain a range of claims whose validity is contestable. Each of these latter has some evidence in its support (1992: 242-248). In

examining these competing claims, a pluralist comparative approach can be useful because there is no single 'truth' that perfectly describes the complexity of the social world.<sup>1</sup> The meta-theoretical approach taken here, which is scientific realist, argues that the comparison of competing claims is a useful project that helps to discern which interpretations are most worthy (Smith, 1994). Realists normally argue that there is no 'pure' stance on the world that is not mediated by the social context of the narrator (Patomaki and Wight, 2000: 226). "There is no "neutral" metalanguage with which to compare competing theories . . . However, this does not mean that communication/translation across theories/paradigms is impossible." (*ibid.*) For this reason the phrase 'critical realism', which highlights the critical stance taken by the narrator to the language used to interpret the world, is often used as a synonym for scientific realism (Sayer, 2000a).

In debates about realism, scientific realism is characterised by a depth ontology - the assumption that the world contains structures which interact with each other in complex ways. Structures are defined as sets of related objects, whose relationships show patterns which cannot be reduced to their atomistic components. The depth ontology recognises agents who try to interpret the structures (Archer, *et al.*, 1998). This paper will presume that a depth ontology offers a useful foundation for the study of society, and that knowledge about society is necessarily embedded in its historical and spatial context (ie in languages, cultures, and their trajectories). Structure, culture and agency are widely recognised to be interacting dialectically in society (*ibid.*), but realist approaches to social reality oppose the stronger forms of post-modernism as well as challenging the methodological individualism that is found at times in economics (surveyed by Sayer, 2000a).

Critical realism does not simply attempt to essentialise 'the real', but recognises that its existence has implications for knowledge. Specifically, the real tendencies of social objects can have effects (and hence can be causal) even if actors in a given scene do not recognise these causal mechanisms. Thus some explanatory claims can be false. In addition, that which can be considered to be true is likely to be subject to contestation - particularly when we are trying to know about the social world - because of the multiplicity of viewpoints that any society holds.

In the debate over peasant studies and 'peasant essentialism', for instance, Bernstein and Byres took a scientific realist viewpoint (2001). They argued that whilst 'peasants' really exist, it is important not to oversimplify their situation by merely essentialising peasants. Realists look for evidence about the world, but carefully distinguish that evidence from the world itself, ie from reality. Claims based on evidence are subject to further refinement and improvement.

In summary, realists usually describe the world as consisting of three levels, which are linked: structures; events; and empirical evidence. The evidence can give hints as to the nature of the underlying structure. Evidence is simultaneously shaped by its concrete historical context and origin, including the aims of the agents who try to describe society. The problem of the possibility of false (or badly phrased) empirical evidence is a profound one for social scientists.

Realists focus upon the essential attributes of a named thing, as well as the act of naming. Scientific realism is the specific form of realism which questions the naming of things since names cannot easily make direct reference (by correspondence) to the thing-in-the-world that one wants to refer to (Sayer, 2000a). Things like tenancy institutions are more differentiated and nuanced than words can say. Of course essentialism would simplify analysis. In a sense words always essentialise or reify 'things'. So do mathematical symbols in social theory. A number of realists have argued that mathematical 'models', like ideal types, tend toward being unrealistic (Lawson, 1997). This paper aims to make explicit several ways to avoid unrealistic social science, and thus to improve research on poverty.<sup>ii</sup>

The most obvious way is to avoid atomism (the assumption that society can be reduced to a set of homogeneous objects<sup>iii</sup>). Social scientists widely agree on rejecting methodological individualism but realists go further in exploring the implications of a depth ontology.

Several social scientists' works (Berger & Luckmann, 1966; Roth, 1987; Harré, 1998; and Sayer, 2000a and 1992) help to illustrate this realist view of the complex social system. Berger and Luckmann, writing in 1966, noted that "It is important to bear in mind that most modern societies are pluralistic. This means that they have a shared

core [symbolic] universe taken for granted as such, and different partial [symbolic] universes coexisting in a state of mutual accommodation." (Berger & Luckmann, 1966: 142) Berger and Luckmann took a critical realist position<sup>iv</sup> which recognised the existence of structures in society. A standard realist formulation of the role of social science, given this sort of complex ontic assumption, is offered by Patomaki and Wight:

A significant part of what constitutes science is the attempt to identify the relatively enduring structures, powers, and tendencies, and to understand their characteristic ways of acting. Explanation entails providing an account of those structures, powers and tendencies that have contributed to, or facilitated, some already identified phenomenon of interest...Science is seen to proceed through a constant spiral of discovery and understanding, further discovery, and revision, and hopefully more adequate understanding.' (Patomaki and Wight, 2000: 223-4)

Roth (1987) in a detailed study of how social science can come to grips with a pluralist approach to knowing about society (ie a pluralist epistemology), argued the case that all hypotheses in science are coloured by prior theoretical frameworks.<sup>v</sup> Theoretical frameworks reflect the inherent social, historical and local grounding of the researcher. Habit, established discourses, and research traditions colour our choice of theory (Kuhn, 1970). Roth argued that the social groundedness of theories does not demolish the possibility of rational choice between theories. In this he opposed the relativism of some postmodern methodologists.<sup>vi</sup> He argued in favour of a conscious approach to theory.

Roth's work supports meta-theorising (assessing competing theories), as does the work of Bhaskar on meta-critique (see Olsen, 2003a for a summary; extract from Bhaskar in Archer, *et al.*, 1998). Meta-critique is the critique of theory, and of the underlying society, aimed at choosing theories that contribute to the improvement of that society, whilst challenging weak or inappropriate theories (Olsen, 2003a). Meta-theoretical work is part of meta-critique. Meta-theoretical work, like the pluralist approach described in this paper, involved attempting to view several theories' character, and their strengths and weaknesses, from a vantage point that takes into account both empirical evidence and the nature of the different available theories. Meta-theoretical analysis is currently conducted by heterodox economists when they

compare heterodox theories with orthodox theories (see Dow, 2002, for a survey). For development studies it is a useful technique.

Harré's essay 'When the Knower is Also the Known', (Harré, 1998) argues that the expert social scientist is embedded in society and is part of a system which includes the 'object' or subject of their enquiries (see also Bryman, 1998; Layder, 1998). By being part of the social system, Harré argues, the observer cannot avoid using a self-reflexive consideration of the political impact of their social science. In Harré's view the observer is not neutral. The value-neutrality of theory is one of the tenets of empiricist social science which realists have carefully questioned (Sayer, 2000b).

In an earlier work I explored the epistemological values that arise in social science (Olsen, 2003b), arguing that there are at least ten valued dimensions of knowledge - such as validity and replicability- of which value-neutrality is one of the most contested dimensions (Olsen, 2003b). It is contested because value stances are often woven into theoretical discourses in a taken-for-granted way. For instance, poverty research has an underlying value-orientation which gives poverty a negative connotation. Some causes of poverty, e.g. excessive inequality or coercion, may also be judged undesirable. In poverty studies, part of each explanation has a normative resonance or makes explicit a value judgement. Far from value neutrality, then, research may need to be value-relevant.

One useful position on values and research was offered by Harding (1995). Harding argued that researchers can attempt 'strong objectivity', by which she refers to the uncovering of ethical stances and making deliberate attempts to compare and contrast the implicit or explicit values of different theoretical discourses. Harding contrasted strong objectivity with the 'weak objectivity' of using survey measurement procedures to create impersonal, replicable indicators of social phenomena. Strong objectivity, as Harding called it, makes moral assessments explicit, as seen in some political economy writings and in most anti-poverty literature. Theories' ethical stances will be explored here (see section 4.1), but the issues raised are large ones which have also had lengthy treatments elsewhere (for instance, see Athreya, 1990).

Realists have also advocated the combination of qualitative data with other types of data. Bryman, for instance, argues that deliberate sequencing of quantitative and qualitative research can usefully improve upon mono-method studies (Bryman, 1996). Analogous arguments were made by Harriss, 2002; Jackson, 2002; Kanbur, 2002; and Hulme and Shepherd, 2003. Jackson, for instance, argues that social and anthropological research should not be separated from economic research (2002: 488-489). The idea of synergy between disciplines, particularly when aiming for policy-relevant findings, underlies the whole “development studies” project (Toye and Hulme, 2005 [in this volume]).

However several realists have expressed doubts about the feasibility of triangulation when it includes survey data. Lawson (1997: 221) argues that nothing more than descriptive statistics can be useful, since anything more sophisticated or analytical rests too heavily on the categories into which people, cases, and variables have been coded. Sayer (1992) argued that extensive research was not very worthwhile because of his biting critique of survey data (ch. 8). Sayer also argued against combining qualitative (intensive) and quantitative (extensive) research in one study. In his view the two techniques were too different to mix easily. A revised realist position argues that survey data are inherently qualitative (Olsen, 2003b; also argued by Bryman, 1996), and that therefore methods are always being mixed when survey data are used. The main difficulty then is in making sense of survey data results given that their categories may be relatively crude, or too homogenous across a large population domain. An illustration of methodological pluralism in an Indian context is given in Olsen (2003a, in Carter & New, eds.). Qualitative and quantitative techniques were used in an Indian field research context (*ibid.*).

Under a revised epistemology, the qualitative and quantitative findings can be reconciled. The two types of methods can be part of one larger project. A team may be needed, rather than a single researcher. Whole disciplines, where peers review and integrate findings across different research techniques, also reflect methodological pluralism writ large. Sociology and political science each have a longer tradition of mixing methods than does economics at present (Manicas, 1987).

Methodological pluralism refers to a mixing of qualitative methods (for understanding things in depth) along with other methods for studying the nature of structures.

Mixing qualitative and quantitative methods illustrates methodological pluralism.

Realists advocate methodological pluralism because two types of theoretical claim can be found in social science: 1) causal claims which have explanatory content; and 2) interpretive claims which focus on what actions mean to agents (Sayer, 2000a).

With methodological pluralism a deeper, richer content is offered to causal explanations.

## 1.2 Theoretical Pluralism

In combining theoretical with interpretive claims, one is likely to draw upon at least two disciplines, as well as the two data types, e.g. when combining history and economics one might use documents and survey data. Theoretical pluralism involves looking closely at possible explanations of puzzling outcomes using a range of claims from at least two social-science disciplines, or two theories. Since some theories cut across disciplines (as marxism is both political and economic), theoretical pluralism is inherently multi-disciplinary.

Pluralism in general has been advocated by a number of authors, who however warn against relativism. Most authors refer explicitly only to methodological pluralism. Roth, for instance, argues that: "methodological pluralism is not tantamount to saying 'anything goes'. We should be methodological pluralists in the social sciences" (Roth, 1987). It would be consistent with Roth's argument to also encourage theoretical pluralism.

Hacking, a methodologist specialising in the areas of induction and social representation, argues that:

Systematic and institutionalized social sciences have their retinues of statistical data and computer analyses that work with classifications of people. It is taken for granted that these classifications work in the same way as those in the natural sciences. In fact the classifications in the social sciences aim at moving targets, namely people and groups of people who may change in part because they are aware of how they are classified. (Hacking, 2002: 10)

It may be difficult for social scientists to avoid ethical implications arising out of their self-reflective research. Meta-critique helps to enable well-informed choice of theories. Methodological pluralism aids in the analysis and utilisation of competing theories, and involves meta-critique. The rest of this paper will illustrate these points.

### 1.3 Avoiding Essentialism

According to realists there are core mechanisms in each social system which researchers try to grasp and describe. These core mechanisms might include social structures like class and caste. These structures, however, also have meaning to people and they can only be interpreted through a transitive (ie interactive) process. According to critical realists, each social situation has a mixture of linked transitive and intransitive elements. The deeper structures are mainly intransitive, since they are not affected by how we describe them. (They are, however, subject to social change.) The transitive domain refers to the things which exist in a fluid relationship with human descriptions. The transitive domain is even more complex than the intransitive domain and has mainly been studied using qualitative methodology. The transitive domain includes the current construal of agents, such as tenants and poor people. Should they be perceived in class terms? in caste terms? Clearly there is scope for interpretive differences of opinion. Differences of opinion among social scientists today must be added onto the differences of viewpoint of the actual participants in these systems. Sayer (1992) argued that the communicability of scientists' discoveries today implies a need to bridge the discursive differences not only among the participants, and among experts, but also between 'lay' and expert understandings of a system. Thus instead of simply essentialising the poor as poor, realists would recognise the inherent complexity of the task of description.

Sayer argued that social science's complex object itself implies considerable hermeneutic complexity and difficulty (Sayer, 1992). Sayer therefore took a pragmatic view of epistemology, and in this he is followed by numerous other supporters of qualitative research and of mixed methods (Lawson, 1997; Kvale, 1996; Harding, 1999). Sayer's view is called 'realist' because he nevertheless admits a prior, partly intransitive existence of the systems which are being studied (Sayer 1997). A

system is a set of structures and agents which interact, generating complexity and emergent properties (*ibid.*). The systems are real.

To illustrate the relevance of this theoretical framework for the study of poverty, I now turn to the analysis of land rental and poverty in India in recent decades (see Figure 1).

## 2: An Exemplar: Indian Tenancy Research

In this section a review of literature is organised around four main schools (ie groups of researchers). Some authors don't fit in to a single school and they are discussed later.

### 2.1 Tenancy Literature

In India, renting in land for a cash rent is on the rise and sharecropping is on the wane, but 8% of arable land is still rented in (Sharma 2000). 15% of rural households are renting in land.<sup>vii</sup> Evidence from recent national datasets shows convincingly a shift away from sharecropping and toward fixed-rent tenancy (Ramakumar, 2000; Shankar, 1999). Many observers have noted that this kind of rural commercialisation has not mitigated rural poverty (e.g. Swain, 1999).

On the one hand contemporary tenancy transactions are seen by some economists as optimal choices which avoid the use of standard labour-market contracts, e.g. (Bardhan 1984; Skoufias 1995). For a competing school of economic thought, the indirect management of labour by landlords is part of a pattern of control and manipulation which may have perpetuated the poverty of large numbers of households in India (Bhaduri 1983a; Singh 1995; Brass and van der Linden, 1998). According to the marxist political economy analyses, renting land out is done by powerful households who prefer to arrange (some) cheap labour this way rather than through the casual or permanent labouring contract. The overlap in the substantive interests of these two schools of thought (neoclassical and political economy) is considerable.

The regulation of land markets has long been a major concern of policy makers. It has been argued that making the tenure of tenants more secure would assist in the growth of agriculture, and that policy in this area could be anti-poverty and pro-growth whilst promoting tenancy itself. Is tenancy an anti-poverty strategy of landless families? or does tenancy reflect a desperate attempt to avoid unemployment by poor people whose returns are implicitly below subsistence, and who face discrimination against them in other markets: the market for their produce; the market for credit for production; the market for their labour? In particular, is it possible that the tenants are exploited in a masked way, as the political economy school has suggested? The debate has raged since the 1950s, with slightly changing foci: in the 1950s land reform was central to the debate; in the 1960s aggregate productivity of different farm sizes; in the 1970s the freeing of bonded labourers and reduction of usury through state banking were prioritised; in the 1980s the effect of interlinked markets upon market equilibria were explored, and efficiency of markets was central to the debate at that time; and in the 1990s tenancy institutions were deconstructed both through principal-agent models and through historical analysis to reveal their changing nature and their heavy impact upon economic outcomes.

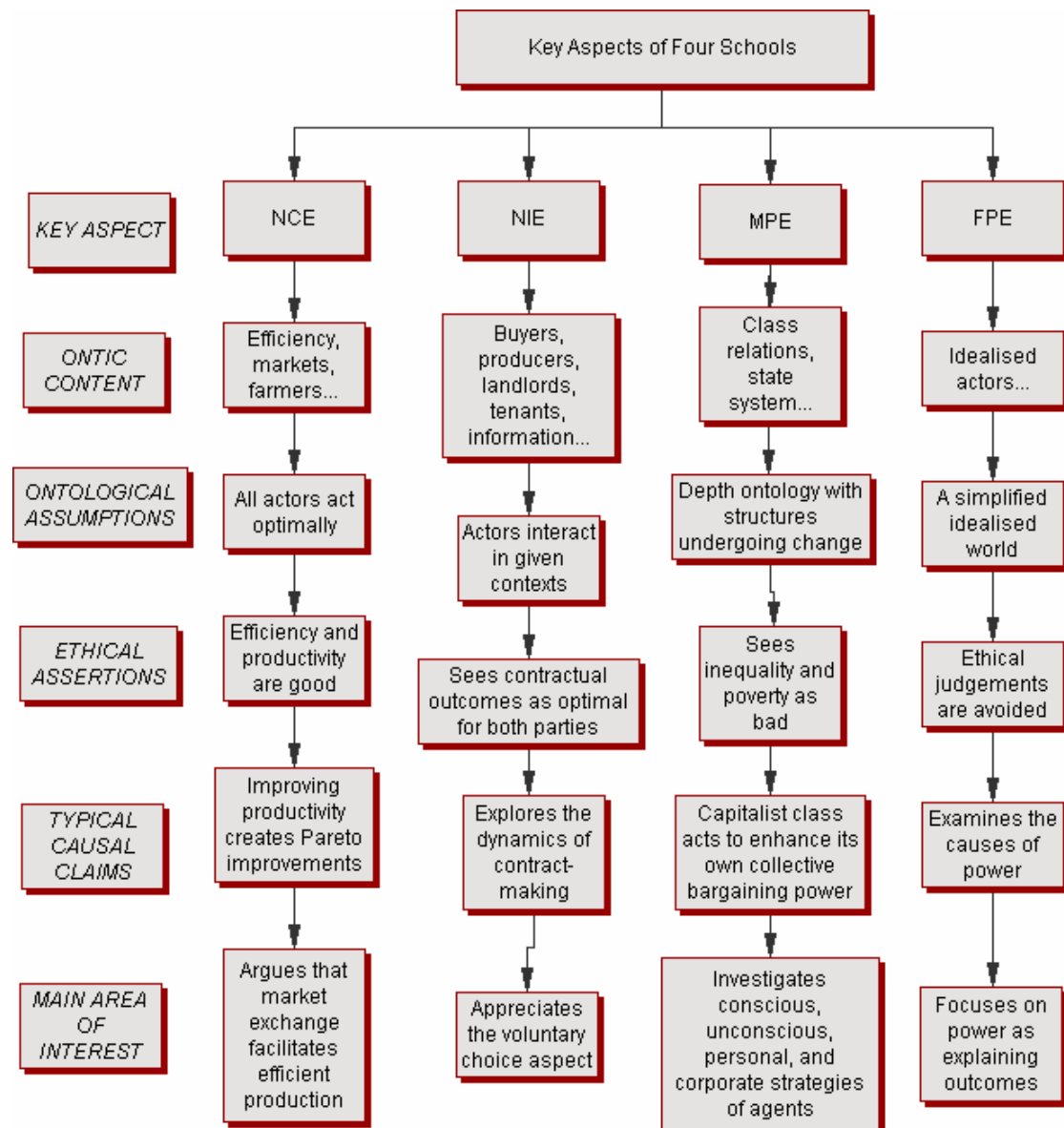
The differences between the main schools of thought on the subject of tenancy are striking (Figure 1). Debates on tenancy within each theoretical school tend to be somewhat narrow and intra-discursive, referencing other work within that school. However there are also studies which cross boundaries and refer to work of two or more schools.

If we take a focused look at debates about tenancy and poverty within India from 1960 to 2004, we find that research has taken place in numerous disciplines. For the sake of highlighting the difficulties with reconciling quantitative and qualitative research, I will focus on the main schools of thought summarised in Figure 1. My focus here is on political economy and economics, although valuable mixed-methods research has been emerging from sociology and anthropology, too.<sup>viii</sup> The mixing of methods in the latter disciplines tends to stay within the realm of qualitative analysis, whilst greater difficulties arise when trying to combine extensive survey data with qualitative analysis (Kanbur, 2001).

The four schools compared here are neoclassical economics (involving market equilibrium with given sets of rational agents operating under constraints), and new institutional economics; marxist political economy, and formalised political economy. It may be useful to refer to these schools as NCE, NIE, MPE, and FPE respectively, although it is important to note that only some specific *works* can be identified as fitting mainly within one school.

<<Figure 1 here>>

Figure 1: Key Theories of Tenancy



Key: NCE: neoclassical economics;

NIE: new institutional economics;

MPE: marxist political economy;

FPE: formalised political economy.

Sources: NCE	NIE	MPE	FPE
Stiglitz 1986; Braverman 1989; Srinivasan 1989; Besley 1995; Stiglitz 2003	Bardhan 1985; Hoff and Stiglitz 1998; Genicot 2002; Stiglitz 2003 (orig. 2002)	Bhaduri 1983a; Bhaduri 1986; Brass 1986; Byres 1998; Bernstein and Byres, 2001	Bhaduri 1977; Bhaduri 1983b; Basu 1984; Swaminathan 1991

Each school can be described briefly. NCE arose with the Marshallian marginalist framework (circa 1870; Dow, 2002) and is oriented toward modelling the market-wide implications of rational individual choice. Prices, interest rates, productivity are the main outcomes of interest to this school. The NIE school has arisen since about 1980 as a more in-depth analysis of choice under conditions of uncertainty, limited information, and transactions costs. Most NIE studies are grounded on concepts familiar from NCE: demand, supply, income, profit, and utility in particular. However the NIE recognises that demand-supply models appear rather simplistic and determinist compared with the underlying institutional complexity. An institution, according to NIE, is a set of rules or norms for contracting in a specific area of human life, e.g. marriage. These institutions were not explicitly or empirically central to NCE.

Marxist political economy arose, too, from works written in the late 19<sup>th</sup> century. MPE begins from a conceptual framework centred upon class, and proceeds to analyse the trajectory of capitalist development. Its sweep is broad so that prices become an explanatory factor rather than an outcome. Outcomes of interest to MPE are the political power of certain classes, a changing class structure, and the interrelations of regions or nations with each other and with their working classes.

Formalised political economy, here labelled FPE, takes a modelling approach to the class actors, placing ideal types into a mathematical model and manipulating that model. FPE has drawn from both NCE and MPE resources. An example of FPE in the poverty literature is Braverman and Kanbur's analysis of urban bias (Braverman 1987). They provided a mathematical appendix following a detailed argument on the causes of rural poverty in a context where rural and urban classes interacted with government policy and with market outcomes.

Each school has a different ontology. An ontology is a theoretical schema of the types of object that exist in society (ontic content). Within the NIE ontology, tenants and landlords make decisions and influence each other as well as influencing major economic outcomes. The politics and social aspects of the underlying society are more prominent in the political economy writings, whilst the numerical measurement

of outcomes such as average productivity, labour's real wage and the degree of risk are more prominent in the NCE and NIE writings. Behind the overt ontic content there are also implicit or explicit ontological assumptions. Ontology refers to the theory of being, or in other words to the study of the existence of things.

In the NCE ontology, structures are ignored by assuming that only agents matter. This is an example of an ontological assumption. MPE and FPE, too, have characteristic ontological assumptions. As Figure 1 indicates, these lead toward particular types of causal claim for each school.

The four main schools of thought described in Figure 1 have detailed explanatory claims which are (pairwise) complementary, competing, or incommensurate. For instance:

Claim 1 from NCE: Tenancy contracts can be explained in terms of landlords' attempts to better utilise their land resources, and tenants' attempts to better utilise their labour resources and bullocks (NCE; (Sen 1964; Sen 1966; Skoufias 1995)

Claim 2 from NIE: Tenancy contracts represent an optimal solution to a game-theoretic problem of simultaneous rational choice of landlords and workers. (NIE; Srinivasan, 1989; Genicot, 2002; Majid, 1994).

Claim 2 is primarily a different phrasing of what is argued in Claim 1, and NIE often overlaps with NCE in this way. In Figure 1 the main areas of emphasis and typical causal claims show partial commensurability and overlap for NIE and NCE.

There is overlap between the substance of NIE and NCE's claims which extends toward the substantive interests of marxist political economy. An interesting example is Majid (1994). Majid reviews the declining role of sharecropping in Sindh, Pakistan using NCE and NIE theory. However, he finds that landholding structures which underlie the decisions of landlord and tenant are critical influences upon whether and how sharecropping takes place. His study makes connections with the marxist interesting in the relations of production. Both labour relations and operational land holding distributions are looked at closely by Majid. However, because Majid's main

interest is in tenancy contracts, not in the dynamics of landholding, the underlying class relationships remain merely background (1994, ch. 10).

Claim 3 from MPE: Tenants are used by landlords who try to efficiently extract surplus labour and to realize its value in the crop market (Olsen, 1996); therefore one explanation of blocked technical progress is landlords' preference for retaining attached labour using usurious credit (Bhaduri, 1973, 1983b, 1986).

Claim 4 from MPE: Capitalism has a capacity for uneven development, including different levels of technology and labour productivity even within pockets of a single locale; these pockets of uneven development are best seen in class terms; they are explained in terms of the profit motive of the landowning class (Singh, 1995; Brass and van der Linden, 1998).

Claim 5 from MPE: Tied labour including tied tenants in North India reflects the tendency in capitalism toward deproletarianisation (Brass, 1996); deproletarianisation is a proximate cause of poverty of labourers amidst plenty; antagonistic social class relations are the root cause (see Singh, 1995; and Bhaduri, 1987; DaCorta 1999)).

All three above claims from MPE tend to be incommensurate with NCE and NIE. However authors within MPE try to explain and integrate concepts from NCE into their research (e.g. Athreya *et al.* (1990) who are MPE in the assumptions examined productivity, returns to scale, and profitability in their research).

Among the MPE writers, not all agree with claims 3-5. For example, Athreya *et al.* used the methodology of MPE but have arrived at empirical claims for south Indian agriculture that contrast with Claim 5 above (1990: 308-311. No constraints on growth or productivity were found, so Athreya *et al.* challenged the model put forward by Bhaduri (1987). Athreya *et al.* used methodological pluralism. They measured farm-level productivity using statistical analysis whilst underpinning their study with a qualitative and quantitative class analysis, including the study of exploitation (Athreya, et al., 1990).

Formalised political economy has gone further than MPE, but built bridges with NIE, by exploring multiple interest rate equilibria, antagonistic contracting, and differential collateral valuation (Basu, 1984; Bhaduri, 1977; Swaminathan, 1991).

In general, in empirical studies of the NCE and NIE schools, social relations and inequality are little mentioned but they do shape the contracts and the market opportunities which in turn shape the shifts in contractual forms and market outcomes. Whilst MPE would phrase these changes in social terms, NIE and NCE have tended to phrase them in methodological individualist terms. (They portray households as if they were individuals.) Given that both approaches have much to offer, a depth ontology may help researchers to unite and link these diverse theories.

Having reviewed four competing theoretical schools and their cleavages, I will now consider two substantive areas where they overlap: productivity and power.

## 2.2 Measuring Productivity

Productivity concepts in general refer to the aggregate output of joint production. The labour of workers is combined with capital and land to create a joint product.

Researchers attribute the value of the product, as realised in a market, to inputs of labour, land, capital, or 'total factor productivity'. The measurement of productivity is more contested than one might think.

In the tenancy literature the crop yields were the focus of early paradoxes: Sen (1964, 1966) showed that small farmers had higher yields than large farmers in India.

However in terms of labour productivity, these farmers worked until their marginal product had fallen below the local wage. Sen's model was neoclassical and assumed a diminishing return to labour at the margin. Later research decomposed productivity into the productivity of land, returns on capital investment, and the productivity of labour. However for tenants, records are rarely kept of either the produce of their rented plot separate from other plots they own, or of the returns to individual workers (whose time is not recorded, since they are not doing waged labour) who cultivate the rented plot. Indeed the returns to unpaid household labour are an untold story in the

context of tenancy (Agarwal, 1994). Calculations of productivity in the aggregate tend to mask important details.

Walker and Ryan, for instance, showed that certain villages in the ICRISAT panel study had more tenancy than the others, and that the tenant farms had lower aggregate productivity (Walker and Ryan, 1990; see also Skoufias, 1995). However Walker and Ryan did not distinguish the productivity of the owned-land plots from the rented-land plots. In India, well-irrigated land is more likely to have tenants on it and therefore we might find a higher productivity of land among tenants if disaggregated data were available (Chaudhuri and Maitra, 2002). However that does not tell us the distribution of the proceeds of that production. In Punjab, recent micro studies show that immigrant workers who rent land from farmers have low yields. They use manual power rather than diesel-driven plows and receive extremely low returns (Singh, 1995). For poverty studies, analysis of productivity, disaggregated plotwise, and of the returns to labour, disaggregated by the type of worker, are needed. Few studies of tenants have this level of detail (e.g. see Jain 2000; Sharma 2000; Kaul 2001). Given improved data, both political economy research and neoclassical approaches could contribute to the interpretation of plot-level productivity and the distribution of the returns to sharecroppers.

### 2.3 Choice and Power in the Tenancy Literature

The research in the 1980s was bifurcated into studies of choice versus studies of power. The choice theorists often had demand-supply models of each market in the background of their research, even when these models had elsewhere turned the corner toward analysis of institutions under imperfect information. Srinivasan's model can illustrate the choice orientation of such models in the NCE and NIE schools. I will then contrast such models with the political economy analysis of power. Srinivasan (1989, in Bardhan, ed., 1989) developed a mathematical model to simulate the actions of a sharecropper toward their landlord once a bank or other alternative credit source enters the scene. Srinivasan wrote:

If sharecroppers are otherwise identical, then the extent of the incidence of bonded labour contracts will be determined by the distribution of non-

agricultural income. (1989: 204). . . By closely monitoring the sharecropper's activities and enforcing a bonded labour contract, the landlord avoids default by the sharecropper. (208) . . . The sharecropper obviously will choose the creditor and the amount of credit so as to maximize his lifetime expected welfare. . . (211)

In this model, inequality arises in the distribution of non-agricultural income, but otherwise worker households are homogeneous. They have no caste or other social attributes, such as the capacity for shame. Bonded labour arises voluntarily in the context of inequality; bondage is a free choice to which sharecroppers adhere (if they are poor) even in the context of competing lenders. Srinivasan's model was a response to other models of the rural credit market (Bhaduri 1983b).

Srinivasan draws an interesting policy implication:

Since, in the above model, the choice of a bonded labour contract is voluntary, it will be chosen by the sharecropper only if it yields him a higher lifetime welfare compared with borrowing from the lending institution. Under such circumstances, the policy of banning bonded labour will be unenforceable or, if forcibly implemented, will *reduce* the welfare of the sharecropper. (Srinivasan 1989: 215)

The interesting assumption here is that the distribution of income is fixed. It acts as a determinant of outcomes but is not affected by outcomes. In such models, which are static models, there is no feedback; the world is seen as a closed system.

Deterministic choice models are idealised and do not adequately reflect the real world.

The models seen in political economy, by contrast, always have a specific locale and time-period underlying their details. Instead of the universal 'landlord' caricature, political economy authors tend to show a competition for power between specific classes. Each class is seen as a social object, rather than being anthropomorphised. Bhaduri (who formalised his model) had classes acting in their own collective interest, affecting other classes, and being reacted upon by those classes. The four classes mentioned were landlords, merchants, farmers, and workers. Thus Bhaduri's model (1983b) was more complex than the bilateral game theory models of new institutionalist economics. However in Bhaduri's model, landlords loaned money,

reflecting the northeastern region's economic structure. In other parts of India, landlords are less specialised in lending money. Tenant farmers in the south are more likely to borrow from merchants than from landlords (Olsen, 1996). The complexity of class structures can be taken into account in non-mathematised approaches to the study of interacting market behaviours (Olsen 1993). Credit markets, land markets, labour markets and crop markets have all been seen as linked in this literature.

But there has been a polarisation of pairs of schools (NCE and NIE versus the MPE and FPE schools). Many studies of choice omit all mention of power, are methodological individualist, and deny the existence of social classes. Studies of power in a few cases also deny the possibility of free choice. Brass's work on the deproletarianisation thesis (1996) perhaps illustrates the determinism of a marxist structuralist approach to causation. This approach to unfreedom is the polar opposite of the choice theories. A dualism has emerged: choice vs. power-over; voluntary choice vs. unfreedom. Brass would argue that even if they vouched for making free choices, workers might still be (really) unfree. A problem arises if a deterministic structuralist model is seen as an *alternative* to a choice model. Deterministic models have little scope for empirical testing. Bhaduri's (1986) and Brass's (1993) marxist models run the risk of being as idealised, as closed-system, and as untestable as the models they wish to criticise.

This polarisation by itself is not helpful. Numerous pieces of excellent empirical research have focused upon *both* power and choice, with good effect (Athreya, *et al.*, 1990). The contribution of these studies is to make each of these mechanisms an operationalisable topic for empirical study. Power: how to measure it? Would we examine outcomes or the ongoing social relations? Should we look at static patterns of resources or at wealth trajectories? Even more difficulties arise when studying choice empirically. However it is possible to ask people to describe their choices, strategies, and habits. This may be a good area for further research.

An improved approach to the linkages between choice and power is also desirable. Research like that of Genicot (2002), which *models* choice, leaves us tantalised but no closer to an empirical research programme linking cognitive frameworks, explicit choices, subjective preferences, and actions. Genicot showed that a paradox of unfree

labour arises when specific types of worker, such as poor tenants, choose to be bonded. It is promising that new institutionalist economists like Genicot take such an interest in the limitations to freedom that arise from 'mutually advantageous labor-tying agreements' (Genicot, 2002: 105). Choice is one proximate cause of outcomes. Choices are in turn motivated consciously by reasons. Outcomes are also mediated and caused through structured social relations. The real causes are more extensive than choice alone, as all agree.

Thus productivity, power, and choice are common themes about which an empirically grounded debate has occurred. The debate is highly relevant for poverty reduction.

A theoretical pluralist would add commensurability (ie reference to common things) to the criteria for choosing between theories. A methodological pluralist would add the further suggestion that the objects referred to in each theory need to be operationalisable. I return to this point in section 4. There is a danger of verificationism if each theory is permitted to construct its own criteria for validity. Without some form of operationalisation across theories – either qualitative or quantitative – it is difficult to make rational judgements about the competing schools.

In the rest of this paper reference will be made to specific themes from the tenancy literature. These claims illustrate the theoretical pluralism that is found among some of the best research in this area (e.g. Genicot, 2002, Banerjee, *et al.*, 2002, or Lanjouw and Stern, eds., (1998)).

### 3: Commensurability of Theories

In this section I describe ways of increasing commensurability of theories. Three ways to do so are described: using bridging discourses (3.1); avoiding verificationism in measurement (3.2); and improving the observability of apparently unobservable phenomena (3.3).

#### 3.1 Complementarity of Explanations

In this sub-section I focus on the complementarities that are evident, even when comparing opposed schools. Complementarities in the language used often reflect the way different theories approach the same (real) thing. Bargaining power in NIE and class power in MPE, for instance, are competing ways to refer to interpersonal or inter-household power relations. Another example of a bridge between these competing theories is their approach to state action, governmental action and, more generally, collective action. In NCE the state was present primarily as an agent intervening in markets (setting land-holding ceilings, offering credit to landlords) but in MPE the state also acts to protect certain classes' vested interests. The 'state' can be found in both theories, although it is seen differently in each. As NIE develops, it too refers to state and collective action. For instance, some new institutionalist authors and most political economy authors agree that the role of the state can be probed for positive synergies with civil society. Institutionalists argue positively that regulation and norms shape all markets. State regulation, even if carried out under federalism as in India, inherently underpins all market action (Harriss-White, 1999). State regulation may provide benefits to poor people. This position has been put by Stiglitz thus (2003):

Many of the items that were not on the Washington Consensus<sup>ix</sup> might bring both higher growth and greater equality. Land reform itself illustrates the choices at stake in many countries. . . The sharecropping system itself weakens incentives. . . Land reform, done properly, peacefully, and legally, ensuring that workers get not only land but access to credit, and the extension services that teach them about new seeds and planting techniques, could provide an enormous boost to output. But land reform represents a fundamental change in the structure of society. (Stiglitz 2003): 81)

Stiglitz's focus on the state here marks a divergence from his earlier neoclassical work.

Other research in India also led toward an empirical finding that the state plays a role in empowering people through good governance or legal changes. For instance, Banerjee *et al.* have shown that the West Bengal state government was able to improve productivity as well as distributive equity by giving tenants more secure access to their plots (Banerjee *et al.*, 2002). Their study used a theoretical model along with empirical data from West Bengal.

To see the actions of government and other state or quasi-state actors as socially grounded in concrete structures, and as historically place-specific, but as being relevant to the economic outcomes of tenancy is to construct a theory that mediates between NCE, NIE and MPE. In this sense the work by Banerjee *et al.* (2002) is theoretical pluralist.

Thus power and the state are common concepts in NIE and MPE, whilst they bear different meanings and are investigated in different ways in the two schools. NIE often use a survey method and detailed household financial data, whilst MPE often uses a historical comparative method with evidence from government documents, historical records and interviews. The two schools do broach related questions about the same reality.

This example illustrates the bridging that is done by researchers who know their competitors' work well. Each school has a standard discourse in which theories and falsification tests are couched. A discourse is a set of norms or assumptions for speech and other communicative acts. A discourse usually consists of a tendency to combine metaphors, analogies, assumptions, dualisms, and category labels in specific ways. One school might set up a model and test its implications, whilst another might take a more inductive approach and may mimic the descriptive patterns found in historical documents. In general, discourses are the norms for how a school's authors refer to events, examine things, collect data, and analyse or interpret data. There are discursive rules for how data should or should not be manipulated. Statistical manipulation is common in NCE and NIE, whilst re-interpretation and a hermeneutic angle are common in MPE.

Bridging discourses are a special type of discourse, deliberately chosen by authors who have reviewed or used two contrasting theories. They break the rules or boundaries of Theory A in order to make headway into the realm of Theory B. In doing so, the bridging discourse creatively changes or challenges Theory B. The Stiglitz/Bhaduri debate and the Banerjee paper both illustrate discursive bridging. They are temporary moments of contact between disparate academic schools. At times, the political economy school may use the survey method to broach questions of interest to the neoclassical economists (Bardhan and Rudra, 1984), whilst economists

at times use a historical method to broach questions of political economy (Banerjee, 2002). Mixing research methods, in turn, appears to make more pluralistic theory testing possible.

### 3.2 Idealist Models and the Weaknesses of Testing

Some of the new institutionalist modeling tends to be self-verifying. Whilst testing of predictions is potentially possible, it is rarely done. Instead there is a process of estimating parameters, given the assumption that the model fits. Such models are known as deductivist (Lawson, 1997) or idealist models. They exist only on paper. There is a danger, common to all theories, that empirical tests will verify their hypotheses precisely because the tests work within their own terminology. Some researchers use surveys whose measurements rest within their theoretical discourse (e.g. surveys of household finance which record the household's total production and not plot-wise production), and the weaknesses of the theory are repeated in the limitations of the empirical testing.

In order to test theories across a range of disciplines, or two schools, it may be necessary to use innovative instruments (fresh surveys; less structured interviews; and re-interpretation of documents) with a view to competing theories. Open-mindedness at an early stage is helpful here, as seen also in the grounded theory literature (Lee, 2002). Grounded theory approaches attempt a relatively unbiased induction from empirical qualitative data.

### 3.3 Operationalising the Unobservables

In the theories found in Figure 1, some objects are difficult to observe, and some are unobservables (e.g. utility). Actually these 'things', such as power or choices, can be evidenced by outcomes or events which contingently result from them. Many unobservables are thus indirectly recordable. The difficulties with observability are two. Firstly, to look for the thing one presumes it exists. This presumption brings with it the danger of essentialism. Secondly, most mechanisms work contingently, not necessarily. For instance, choice outcomes can be observed, but records of the

unselected alternatives are harder to create. Therefore outcomes are only sometimes evidence of a given cause.

Fleetwood summarises a realist position on unobservables in economics as follows (Fleetwood 2002):

Economics . . . aims to provide powerful explanations and adequate theory-laden "descriptions" of the observable and unobservable socio-economic structures and causal mechanisms that govern the flux of events observable in the real world. (Fleetwood, 2002: 44).

This quote usefully highlights the observability of *events*, in principle, versus the difficulties with observing underlying social structures and institutions. Fleetwood's constructive engagement with the empiricists Boylan and O'Gorman (1995) provides the groundwork for distinguishing good description from good observation. Descriptions, according to realists, may include abstractions which refer to structures even though the underlying observations are only indirect reflections of the structures. Clearly a programme of careful operationalisation is called for.

#### 4: Advantages and Limitations of Pluralism

So far this paper has shown that commensurability and discursive bridging help to make pluralist research possible. A suspension of judgement is needed as a temporary way to make two theories commensurate in some areas. Careful operationalisation is then needed. The pluralist is then in a position to compare two theories without tending to validate their *a priori* preferred theory. In this section a few comments are made on the advantages and disadvantages of this form of pluralism. The first is that poverty reduction becomes part of the discourse of research work

##### 4.1 Poverty and Tenancy

Methodological pluralist studies such as Lanjouw and Dreze (1998), or Athreya et al., (1990), illustrate the linkages between the study of tenancy and poverty alleviation research. A meta-analysis of theories of tenancy, which crosses schools and explicitly

draws out comparisons, can develop the ethical implications of changing tenancy relations. There are two steps in the way a theoretical pluralist might develop these implications. First, they would examine the explicit or implicit ethical stance of competing theories (as hinted at, necessarily briefly, in row four of Figure 1). Secondly, their research could contribute toward the construction of a value stance and policy implications related to both tenancy and improvements in people's lives. These improvements may well be classified as poverty reduction either in economic, political or social terms.

The content of the moral stances in neoclassical economics and in marxist political economy (see Figure 1) are strongly differentiated, so I will focus on this contrast. In NCE, productivity increases are perceived as good, and waste as bad. In MPE, equality is seen as good and inequality as bad. Furthermore exploitation is recognised as harmful. Both these latter claims are not accepted by NCE authors. The MPE school tend to make stronger moral claims than NCE, and to have substantive value stances, whereas the writers in the NCE school tend to restrict themselves to procedural evaluations of marginal changes.

To grasp why there are such striking differences in the content of the moral stances, we can examine the *rationale* that is given for having a moral stance at all. In NCE this is usually an argument about Pareto optimality. If there are net economic gains, then a consensus can perhaps be obtained about the distribution of marginal gains without threatening anyone's existing resources. This argument of Pareto optimality has its roots in liberal economics. It appears regularly in western neoliberal thinking, as described by Hussain (1991) with respect to Asia, and by Dow (2002) for economics in general. By contrast, the arguments underlying MPE moral stances comprise a substantive claim that the reduction of inequality and suffering, and the removal of exploitation, offer social good. The confidence underlying this sort of moral statement arises from both the historical roots of Marxist Political Economy in the notion of social science having an emancipatory role (as described by Lawson, 1997), and in the philosophical assumptions of MPE authors which tend to be realist and collectivist. The realist strand in such thinking may lead the authors to think of moral stances as moral facts - a position described by Smith (1994) as 'realist' but not accepted by all realists. Sayer, 2000a, for instance, argues that moral debate is a

welcome topic for realists but will tend to lead to contested values and not to facts about values (2000a: 170-185; see also Sayer, 2000b).

The authors of the MPE school also have an ontological reason why their stance is so different from that of the neoclassical authors. Their statements relate to collectivities, not just to individuals. Because the MPE authors recognise the existence of society as a corporate entity, which can have a social good and social ills, it is possible to imagine making claims about that which is good for society. For those NCE authors who are methodological individualist, it is much easier to resist notions of the social good and to pay attention to differentiated, individual, subjective notions of what would be good. In philosophy the terms ‘holism’ and ‘atomism’ are used to describe the two extremes of ontology here: MPE authors recognise wholes, and use holism, whereas NCE authors have traditionally stressed individuals and not social wholes. The value stances of the two schools necessarily reflect, and arise from, these underlying ontological commitments.

In the confines of this paper I cannot extend the discussion of these ethical stances far, but a growing literature on moral political economy questions the possibility of separating moral pronouncements from factual statements. One author who makes reasoned arguments linking facts with values, and values with facts, was Bhaskar (1979, repr. 1989 and 1998). A similar realist MPE vision had been applied to a broader canvas of changing scientific norms when MacIntyre (1998, orig. 1964) argued that Aristotelian ethics are substantive and focus upon the good of collectivities (ch. 7), but are (or were) rare in the 20th century. In the modern era since the Reformation, argues MacIntyre, ethical statements have tended to be more individual-oriented, less substantive, and more subjective (also argued in MacIntyre, 1985). Modern ethical precepts often recognise a differentiated society (as does NCE), use notions of free choice, and keep proposed changes within the legal and regulatory context of a capitalist market framework. Ray and Sayer have argued that the moral issues raised by contemporary Aristotelians, such as MacIntyre, Amartya Sen and Martha Nussbaum, have not been explored thoroughly yet (Ray and Sayer, 1999; Sayer, 2000b). Thus a worthwhile debate can be had regarding ethical assertions in competing conceptualisations of tenancy.





















