TABLE OF CONTENTS

Acknowledgements	I
Abstract	II
Table of Contents	VIII
List of Tables	XIII
List of Figures	XV
List of Abbreviations	XVI
1. Introduction	2
1.1. Concepts of Diversification and Livelihood	4
1.2. Livelihood Diversification in Rural Areas: A Theoretical Underpinning	5
1.3. The Sustainable Rural Livelihood: A Conceptual Framework	9
1.4. Participation of Rural Households in Farm and Non-Farm Activities in Indi	a 12
1.5. Statement of the Problem	21
1.6. Research Questions	24
1.7. Objectives of the Study	25
1.8. Data Sources	25
1.9. Significance of the Study	27
1.10. Structure of the Thesis	29
References	31
2. Determinants and Effects of Livelihood Diversification in Rural No.	on-Farm
Enterprises	36
2.1. Introduction	37
2.2. Livelihood Diversification in Non-Farm Enterprises	41

	2.3. Empirical Framework	43
	2.3.1. Determinants of Participation in Rural Non-Farm Enterprises	43
	2.3.2. Modelling the Effects of Participation in Rural Non-Farm Enterpr	ises on
	Household Farm Income and Consumption Expenditure	44
	2.4. Measurement of Variables	46
	2.5. Empirical Analysis	50
	2.5.1. Descriptive Statistics Analysis	50
	2.5.2. Econometrics Analysis	52
	2.5.2.1. Determinants of Participation in Non-Farm Enterprises	52
	2.5.2.2. Effects of Participation in Non-Farm Enterprises on Farm Inco	me and
	Consumption Expenditure of Farm Households in Different Agroece	ological
	Zones	57
	2.6. Concluding Remarks	60
	References	61
3.	Impact of Livelihood Diversification and Institutional Credit on Household	Well-
	Being	66
	3.1. Introduction	67
	3.2. Review of Literature	69
	3.3. Empirical Strategy	70
	3.3.1. Data	70
	3.3.2. Methodology	71
	3.4. Descriptive Statistics	71
	3.5. Regression Results	78
	3.6. Concluding Remarks	80
	References	82

4.	Impact of Non-Farm Enterprises Income on Dietary Diversity, Expende	liture
	Diversity, and Farm Investment	84
	4.1. Introduction	85
	4.2. Review of Literature	87
	4.2.1. Rural Non-Farm Activities and their Importance in Developing Countri	es 88
	4.2.2. Analytical Framework	90
	4.3. Empirical Strategy	92
	4.3.1. Data	92
	4.3.2. Measurement of Household Level Dietary and Expenditure Diversity	92
	4.3.3. Econometric Model	94
	4.3.4. Instrumental Variables used in the Study	95
	4.4. Empirical Analysis and Results	96
	4.4.1. Descriptive Statistics	96
	4.4.2. Panel Regression	99
	4.4.3. Panel IV Regression	100
	4.4.4. The Validity of Instrumental Variables	102
	4.5. Concluding Remarks	109
	Appendix	110
	References	114
5 .	Livelihood Diversification in Non-Farm Enterprises and its Impact	t on
	Unidimensional Poverty Status of Farm Households	118
	5.1. Introduction	119
	5.2. Review of Literature	120
	5.3. Estimation procedure	121
	5.3.1. Data	121
	5.3.2. Methodology	121

	5.4. Results	122
	5.4.1. Descriptive Statistics	122
	5.4.2. Econometric Results	124
	5.5. Concluding Remarks	127
	References	129
6.	Dynamics and Determinants of Multidimensional Poverty Status of H	?arm
	Households	130
	6.1. Introduction	131
	6.2. Review of Existing Literature	133
	6.3. Analytical Strategy	135
	6.3.1. Identification of Unidimensional Poor	135
	6.3.2. Identification of Multidimensional Poor: Dimensions, Indicators, Deprive	ation
	Cut-offs, and Relative Weights	135
	6.3.3. Panel Regression	137
	6.4. Results	138
	6.4.1. Reduction in Rural Multidimensional Poverty and Changes Across Subgr	oups
	6.4.1.1. Across Geographical Regions – States and Agroecological Zones	140
	6.4.1.2. Across Household Characteristics and Social Subgroups	141
	6.4.1.3. Unidimensional Poverty vs. Multidimensional Poverty	143
	6.4.2 Association among Unidimensional Poverty, Multidimensional Poverty	, and
	its Indicators	147
	6.4.3. Transition Probabilities of Unidimensional and Multidimensional Pov	verty
	Measures	149
	6.4.4 Econometric Results - Panel Probit Regression	151
	6.5. Concluding Remarks	156
	References	158

7.	Conclusions and Policy Implications	163
	7.1. Conclusions	164
	7.2. Specific Contribution of the Study	171
	7.3. Policy Implications	173
	7.4. Limitations of the Study	178
	7.5. Future Scope of Work	179
List of Publications		181
List of Conferences		182
Br	Brief Biography of the Supervisor	
Br	Brief Biography of the Co-Supervisor	
Brief Biography of the Candidate		185

List of Tables

Table 1.1: Income Levels on the basis of Land Classification Across Various Categor	ies of
Farmers	16
Table 1.2: Percentage Share in Operational Holdings by Land Class	17
Table 2.1: Livelihood Diversification in Non-Farm Enterprises in different Agroecolo	ogical
Zones	39
Table 2.2: Description and Measurement of Principal Variables	49
Table 2.3: Descriptive Statistics of Principal Variables	51
Table 2.4: Determinants of Livelihood Diversification of Farm Households in Rural	Non-
Farm Enterprises	55
Table 2.5: Impact of Livelihood Diversification on Farm Income and Household	
Consumption	57
Table 3.1: Descriptive Statistics of Key Variables Across Different Categories of C	Credit
Source	72
Table 3.2: Socioeconomics Distribution of Households Across Credit Source	73
Table 3.3: Access to Non-Farm Enterprise, Credit and its Purposes	74
Table 3.4: Regression Analysis: Dependent Variable = Ln (MPCE)	79
Table 4.1: Summary Statistics of the Principal Variables used in the Study $(N=1,822)$	98
Table 4.2: Panel Regression: Non-Farm Enterprises Income and Diversification	ns in
Consumption Expenditures	103
Table 4.3: Panel IV Regression: Non-Farm Enterprises Income and Diversification	ns in
Consumption Expenditures (IV: nwork NFE and Road Density)	106
Table 4.A1: Tests of Instrument and Endogeneity	110
Table 4.A2: Over-Identification Test – Hansen's J Test	110
Table 4 A3: Test of Weak Instrument	111

Table 5.1: Regression Analysis of Poverty Status and Transitions among Farm	
Households	125
Table 6.1: Dimensions, Indicators, and Deprivation Cut-offs of the Multidimension	nal Poverty
Indicators	139
Table 6.2: Rural Poverty among Farm Households and across different Population	Subgroups
(in percentage)	144
Table 6.3: Association between Unidimensional Poverty, Multidimensional Pove	erty, and its
Indicators	148
Table 6.4: Unidimensional Poverty Status and Indicators of Multidimensional	Poverty -
Transition Probabilities	150
Table 6.5: Determinants of Unidimensional and Multidimensional Poverty – P	anel Probi
Analysis	154

List of Figures

Figure 1.1: Sustainable Rural Livelihood Framework	12
Figure 1.2: Operational Numbers, Area Holding and Average Size (1970-71 to 2015-16) 13
Figure 1.3: Share of Farm and Non-Farm Incomes over the Years in India	
(in percentage)	20
Figure 3.1: Sources of Credit Institution and Income received from the Non-Farm	
Enterprises	75
Figure 3.2: Cumulative Distribution of Income at the Household Level	75
Figure 3.3: Relationship between the Loan Amount and Net Income from Non-	Farm
Enterprises	76
Figure 3.4: Distribution of MPCE across the different Sources of Credit	77
Figure 4.1: Linkages between Farm Household Incomes and their Consumption	
Expenditures	91
Figures 4.A1 – 4.A10: Kernel Density Estimates: Income received from Rural Nor	ıfarm
Enterprises and Diversifications in Consumption Expenditures	112
Figures 4.A11 – 4.A20: Non-Parametric Associations of Income received from Rural	Non-
Farm Enterprises with different Expenditure Indicators	113
Figure 5.1: Poverty Status of Diversified and Undiversified Farm Households	123
Figure 5.2: Poverty Status Across Livelihood Diversified Groups	124

List of Abbreviations

ATT : Average Treatment Effect on Treated

BMI : Body Mass Index

CSO : Central Statistical Organization

ESR : Endogenous Switching Regression

GDP : Gross Domestic Product

IHDS : India Human Development Survey

INR : Indian Rupees

IV : Instrumental Variable

KM : Kernel Matching

MDG : Millennium Development Goals

MM : Mahalanobis Matching

MPCE : Monthly Percapita Consumption Expenditure

NCAER : National Council of Applied Economics Research

NFE : Non-Farm Enterprise

NNM : Nearest Neighbor Matching

OBC : Other Backward Caste

OLS : Ordinary Least Square

PMGSY : Pradhan Mantri Gram Sadak Yojana

PSM : Propensity Score Matching

RM : Radius Matching

RNFE : Rural Non-Farm Economy

SC : Scheduled Caste

SDG : Sustainable Development Goal

SLA : Sustainable Livelihoods Approach

SM : Stratification Matching

SME : Small and Micro-Enterprise

ST : Scheduled Tribe