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RESEARCH NOTES

'Wealth Ranking' in Socio-Economic Research: Substitute or Complement?

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INTRODUCTION

Participatory Rural Appraisal (PRA) methods are considered, by certain academics, as a better alternative to traditional survey/questionnaire methods in socio-economic research. Of late, these methods have not only gained prominence but also propagated as an alternative paradigm in social science research (Chambers, 1994 a, b and c). In fact, some of the funding agencies are promoting the use of PRA in place of survey methods. The main advantage of PRA methods is its cost effectiveness and simplicity. PRA is an alternative mode of information gathering with a stress on qualitative information rather than on quantitative information. According to Chambers (1992), PRA is intended to enable local people to conduct their own analysis and often to plan and take action. PRA has a menu of methods to elicit information from rural people. These methods range from secondary sources to semi-structured interviews and simple questionnaires. Though PRA boasts of twenty-seven methods, most of them are being used in the standard approaches of socio-economic research in one form or other, of course under different names or even at informal level (for a critical review of PRA, see Reddy, 1998). However, PRA differs with regard to participatory mapping and diagramming, well-being or wealth ranking and analysing. Of these, wealth ranking is the most widely used method and has parallels in the standard survey methods.

In the standard socio-economic analysis, size of holding (farm size) or household income or consumption is used to categorise households into different wealth groups. These groupings are used to identify the most needy households for the purpose of a target group oriented poverty alleviation programme or to examine the variations in different socio-economic attributes across income groups. This information is collected directly from the head of the household (or respondent) with the help of a questionnaire. The reliability of such data is often questioned on the grounds that there exists differences and contradictions between observed or experienced realities and the reality generated from survey data (Jodha, 1986; Bardhan and Rudra, 1978). These differences further get accentuated in situations where cultural and traditional value systems predominate. For instance, households belonging to higher social strata often do not like to project an economically poor status, especially to an outsider. Though some households still maintain their lifestyles (reflecting in the consumption information), they may be increasingly getting into debt which the household is unlikely to reveal. But the fellow villagers are aware of the reality. Similarly, the reverse would be true in the case of households who are not willing to reveal their latent assets and other sources of income such as derived from moneylending.

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Wealth ranking, on the other hand, is carried out by groups of villagers, i.e., the villagers rank each and every household according to their wealth and well-being. It is argued that wealth ranking provides more accurate and realistic categorisation of households by their wealth compared to the standard questionnaire method as the villagers take various aspects of the household into consideration while ranking. Apart from the cost effectiveness of the method, the arguments against the standard approach and in favour of wealth ranking sound logical and convincing. But one is not sure how good is this logic on empirical grounds. Empirical testing of the differences between the two methods is necessary before discarding or adopting either of the methods. For, the acceptability of PRA methods in the main stream research is still dubious due to (i) data generated through PRA may not stand the statistical rigour, and (ii) how far PRA can provide more authentic or different analytical insights compared to standard survey methods. Besides, the purpose to which the data, thus generated, are used for is also important in choosing the methods. This is important not only to determine the suitability of the data set for statistical testing but also to determine the cost effectiveness of the PRA methods.

In this paper an attempt is made to compare wealth ranking with income analysis followed in the standard survey methods in order to examine the differences or similarities between them [(ii) above]. Hitherto, income analysis in the main stream socio-economic research is based either on size of land holding (farm size), or on household income or on expenditure. Of late, some of the studies using PRA techniques are following wealth ranking approach. The validity of these two methods has confined to theoretical debate only as the studies so far adopted either of the two approaches rather than using both of them and testing the difference between them. In a recent study Adams *et al.* (1997) validated the use of wealth ranking by observing variations in socio-economic and demographic variables across wealth ranking groups. While this study supports the use of wealth ranking for socio-economic stratification, it does not provide any insights regarding how wealth ranking compares with the standard household income analysis. That is whether or not wealth ranking can provide different analytical insights compared to the standard analysis. Proving the superiority of wealth ranking would mean questioning the vaidity of the conclusions hitherto drawn from a number of studies adopting the standard size-classwise approach for income analysis. This aspect is examined here using the data generated through wealth ranking as well as standard survey technique in an intensive study of two villages in Rajasthan State of Western India. The data are drawn from a larger study "User Valuation of Renewable Natural Resource: A Study of Arid Zone", where participatory and survey methods were used as complements. Wealth ranking and questionnaire were used for all the households in both the villages (census). The main objectives of this paper are (i) to examine the relation between wealth ranking and size of holding (farm size), on the one hand, and wealth ranking and household income, on the other, and (ii) to examine the variations in land use patterns and demographic aspects across households when stratified according to wealth ranking and farm size.

II

WEALTH RANKING: THE APPROACH

Wealth ranking or well-being ranking is an indirect approach to obtain information on households' economic status. Usually, socio-economic status of the household is obtained through a questionnaire where the household is asked directly regarding its socio-demographic characters, economic assets and income/expenditure. However, data collected through a questionnaire may not reflect the true economic conditions of the household due to the following reasons: (i) asset position (land, building, etc.) may not provide continuous flow of income under all circumstances, (ii) there are other sources of income such as income flows from migrant labour, interest payments from moneylending, etc., which are not covered under assets, and (iii) households often tend to under-estimate/over-estimate their income/expenditure due to various reasons. On the other hand, the villagers based on their own perceptions of the particular household carry out wealth ranking. The villagers while identifying the economic status of a household consider beyond its asset position. Moreover, since the issue is discussed within a group of individuals, various dimensions of wealth will be taken into account and hence improves the objectivity of identification.

Wealth ranking may be carried out by different groups of people within the village. These groups may belong to different communities or genders. According to the perceptions of these groups, ranking may differ. For instance, in one of the wealth ranking exercises in Uganda when men and women were asked separately to rank the households, it was observed that while men concentrated on material wealth, women gave more weightage to social circumstances (Seely *et al.*, 1996). However, comprehending these differences will be a difficult task if one is interested in studying the economic status of the households in a village. That is depending on the nature of the study, due weightage should be given to material and social wealth.

As far as socio-economic research is concerned, the objective of income analysis is to examine the variations in some key variables such as resource use patterns across income groups. Wealth ranking exercise is carried out here with the same objective. As a part of the major study, mentioned earlier, two villages were selected for carrying out an intensive study of resource use pattern and valuation. The demographic aspects along with socio-economic aspects of the selected villages are presented in Table 1. Information on socio-economic, demographic and resource use patterns were obtained from all the households in both the sample villages. In order to get the economic status of the households, data pertaining to land assets (farm size), agricultural and non-agricultural incomes are elicited. These variables form a base for grouping the households according to their economic status.

As a second base, we have carried out wealth ranking exercise by two groups of villagers in each vilage. Since some of the households live in farm houses (*dhanis*) outside the village, groups are formed in such a way to cover both *dhanis* and main villages. In both the villages the participants were very enthusiastic about the exercise and participated eagerly unlike in the case of questionnaire filling. In both the villages it is a new experience for the participants. There are no non-governmental organisations (NGOs) working in the villages. The rapport with the villagers is built by the research team over a period of one year involving intensive study of the villages. The groups at *dhanis* are relatively smaller given the limited number of households living there. About eight people participated in the wealth ranking exercise at the *dhanis* (one from each village) while about 15 people participated in the main villages.

It may be noted that there are no criteria involved in selecting the people chosen for wealth ranking exercise. Wealth ranking exercises are usually conducted in informal groups within the villages. There is no restriction on participation of people in carrying out the exercise.

Before starting, the purpose of the exercise was discussed with the group and also regarding what the participants are expected to do. For the purpose of the exercise, cards were prepared for each household with the name of the head of the household written on the card. The team members have read out each household's name for the group and the group was asked to rank the economic status of the household. No clues regarding the indicators (land or other assets) are given to the group. The group is requested to give the lowest rank (one) to the poorest household and highest rank to the richest household in the village. Accordingly, all the households are ranked between discussions among group members. The same ranks were given to 2-3 households in a few cases. After the exercise was over, the participants were requested to explain the criteria they have used for ranking the households. The main criteria/indicators they have taken into account are (i) ancestral property including land and gold, (ii) involvement in money/lending, (iii) sources of non-agricultural income such as government service or business, and (iv) remittances from outside by family members.

TABLE 1. SOCIO-ECONOMIC AND DEMOGRAPHIC ASPECTS OF THE SAMPLE VILLAGES

	Item (1)	Jheengar Bari (2)	Khori Brahmanan (3)
(i)	Number of households	83	118
(ii)	Total population	503	701
(iii)	Amenities		
	(a) Driniking water	Yes	Yes
	(b) Medical	No	No
	(c) Education	Primary	Primary
	(d) Transport	No	Yes
	(e) Electricity	Yes	Yes
(iv)	Percentage of households belonging to the size category		
	(a) Landless labourers	11	0
	(b) Marginal farmers	10	10
	(c) Small farmers	17	14
	(d) Semi-medium size farmers	28	31
	(e) Medium size farmers	30	24
	(f) Large farmers	4	10
(v)	Percentage of households depending on agriculture (major source of income)	58	40
(vi)	Percentage of area irrigated (net)	20	3
(vii)	Proportion of non-agricultural income* (average)	57	87

* Major non-farm activities include non-farm labour and remittances from outside.

Before examining the relationships between economic variables and wealth ranking, it would be appropriate to present the important economic features of the sample villages. For, the economic status of the villages has a bearing on the relationships and hence facilitates their explanations. The main occupation in both the villages is not agriculture in terms of income source though a majority of the households (58 per cent) depended on agriculture in Jheengar Bari (Table 1). The dependency on non-agricultural activities, in terms of number and income derived, is much higher in Khori Brahmanan compared to Jheengar Bari village. Though there are no landless labourers in Khori Brahmanan, the dependency

on wage employment is more compared to the other village. This may be attributed to lack of irrigation facilities in the Khori Brahmanan village. Besides, in Khori Brahmanan a number of people migrate to other states in pursuit of business and wage employment and hence remittances from outside account for a major share in the household income. Within the farming community, both the villages have predominantly medium size farmers, though the average size of land holding is higher in Khori Brahmanan. The lower size of holding in Jheengar Bari is due to the availability of irrigation and the resultant intensive farming practices.

III

WEALTH RANKING VIS-A-VIS ECONOMIC VARIABLES

As reflected in the economic features, the sample villages differ from each other in terms of economic conditions. The two important aspects that are relevant for the relationships between wealth ranking and other standard economic variables are: (i) the dependency on non-agricultural income is substantially higher in one of the villages. This would make farm size a less important economic variable and hence one usually depends on household income for measuring the economic status in such situations; (ii) relevance of farm size is also questionable when land is not a major constraint which is the case in fragile resource regions like Rajasthan. This coupled with the biases in reporting of household income prompts one to rely on alternative indicators like wealth ranking. In this section, we examine how wealth ranking compares with standard economic variables like farm size, agricultural, non-agricultural and total household incomes.

We have estimated the simple correlation coefficients between wealth rank and other economic variables in order to compare them. As mentioned earlier, wealth ranking exercise was carried out with two groups of people in both the villages. On the whole, 83 households in Jheengar Bari and 100 households in Khori Brahmanan were ranked. The difference between the ranked and actual households in Khori Brahmanan is due to the reason that some of the households temporarily migrate to other places in search of employment or business though they own land and other assets (houses) in the village. Accordingly, we have dropped the non-resident households from the main list and matched the remaining. The consistency in ranking between the two groups is very high in both the villages. The rank correlations are as high as + 0.99 and significant at less than 1 per cent level. This indicates that there are no inconsistencies in the ranking and the criteria adopted by the two groups of participants in the exercise.

The simple correlation coefficients are estimated between wealth ranks, on the one hand, and agricultural income, non-agricultural income, total income and farm size, on the other. All the coefficients carry positive signs and all of them, except non-agricultural income in Jheengar Bari, are significant (Table 2). The significant positive correlation indicates that there is one-to-one correspondence between wealth ranking and the standard economic variables. In other words, the economic status of the household reflected in the standard income/economic variables is the same as that of what the villagers perceive as economic/wealth status. The relationships are more prominent, in terms of the magnitude of the coefficients and their level of significance ('t' values), in the case of dominant income sources. In Jheengar Bari, where agriculture is the major activity, the villagers have given high priority to farm size and agricultural income compared to other variables. In Khori

Brahmanan non-agricultural as well as total income of the household is given high priority. Overall, the dominant activity seems to be reflecting in the wealth ranks. The positive and significant relationship between farm size and wealth ranking even in Khori Brahmanan may be due to the reason that those households with more land assets are also having non-agricultural assets like gold and income flows from business or moneylending. The stronger relationship between wealth ranking and farm size (and relatively weak relationship between wealth ranking and total income) in Jheengar Bari and between wealth ranking and total income (and relatively weak relationship between wealth ranking and farm size) in Khori Brahmanan indicates wealth ranking is more relevant in communities with a larger share of non-agricultural income in the household income. For, farm size does not reflect the true picture in such conditions and reporting of household income is less accurate than area owned (farm size).

TABLE 2. RELATIONSHIP BETWEEN WEALTH RANKING AND OTHER INCOME VARIABLES IN THE SAMPLE VILLAGES

	Income variables	Jheengar Bari		Khori Brahmanan	
		Rank I	Rank II	Rank I	Rank II
	(1)	(2)	(3)	(4)	(5)
1.	Agricultural income	0.51*	0.51*	0.20***	0.22**
		(5.34)	(5.33)	(2.02)	(2.23)
2.	Non-agricultural income	0.16	0.16	0.42*	0.41*
		(1.43)	(1.46)	(4.57)	(4.52)
3.	Total income	0.38*	0.38*	0.47*	0.47*
		(3.70)	(3.71)	(4.65)	(5.27)
4.	Own area (farm size)	0.67*	0.68*	0.34*	0.36*
		(8.16)	(8.25)	(3.50)	(3.81)

Figures in parentheses are 't' values.
*, ** and *** indicate levels of significance at 1, 5 and 10 per cent respectively.

These results can be interpreted in two ways. Firstly, wealth ranking is comparable with other standard economic variables as far as generating information relating to households' economic status is concerned and hence the use of wealth ranking is validated. Secondly, since the information generated by the two methods does not seem to differ much, it is difficult to establish the superiority of one method over the other. However, wealth ranking is likely to provide more accurate information in the context of communities where land is not a dominant source of income, especially in the light of less reliable reporting of household income. These aspects coupled with its cost effectiveness suggest that wealth rank seems to score over the standard methods. At this juncture it is pertinent to examine how an analysis based on wealth ranking compares with that of a standard procedure (farm sizewise analysis) at a disaggregated level. This would help us in examining not only the variations in the socio-economic variables between the two methods but also to observe the differences in the analytical insights one can draw from using the two methods. For, the differences in the analysis, if any, between the two methods would get accentuated at the disaggregate level. This aspect is taken up in the following section where wealth rankingwise analysis is compared with size-classwise analysis with regard to the distribution of some important variables.

IV

WEALTH RANKWISE VIS-A-VIS FARM SIZEWISE ANALYSIS

It is a common practice in socio-economic research concerned with rural communities to group the data according to land holding classes. For the purpose of comparison we have grouped the households by their farm size status as well as wealth rank status. For wealth rankwise categorisation, all the households are arranged in ascending order of their wealth ranks and then divided into five equal groups. These groups may be treated as proxies to the size-classwise groupings, i.e., marginal, small, semi-medium, medium and large. Though these two groupings may not be strictly comparable, they do reflect the situation in the respective categories. That is, while the marginal farmers' category reflects the situation in the lowest category of the farming community, the first (lowest) group in the wealth rank represents the situation in the poorest category of the households. Apart from this, there is no room for bias as we have taken all the households into account in both the villages. The comparative analysis is carried out for land use patterns, cropping patterns and family size. In the case of land use and cropping patterns analyses we have dropped the observations pertaining to the landless category from both the approaches. There are nine households in the landless category in the Jheengar Bari village.

As far as land use patterns are concerned, one of the important aspects often addressed is the relationship between farm size and intensity of land use. It is widely observed, in the Indian context, that lower size-class farmers use land more intensively while the large farmers use it extensively (Reddy, 1991). This is often attributed to higher proportion of area under irrigation with the small farmers. However, this may hold good only in the case of public irrigation while the reverse is observed in the case of private (well) irrigation (Vidyasagar and Reddy, 1996). Here, these hypotheses are examined on the basis of land holding size and wealth ranking groupings. The variables considered are proportion of area under grazing and pasture lands, fallow lands and irrigation. Our intention here is not to test the hypothesis as such, but to observe the differences, if any, in the analysis between wealth rankwise grouping and farm sizewise grouping of the households.

It may be noted that the average size of holding does not match between wealth ranking and farm sizewise groupings (Table 3). The lower (poorer) category of households are

TABLE 3. LAND USE PATTERN ACROSS WEALTH RANKS AND FARM SIZE-CLASSES IN THE SAMPLE VILLAGES

Wealth rank (Farm size)	Number of households	Average size of holding (ha)	Percentage of pasture and grazing land	Percentage of fallow land	Percentage of area irrigated
(1)	(2)	(3)	(4)	(5)	(6)
Jheengar Bari					
I (Marginal)	15 (08)	1.2 (0.5)	1.8 (0.0)	1.8 (0.0)	13.4 (0.0)
II (Small)	15 (12)	3.1 (1.4)	1.9 (1.7)	4.0 (5.6)	29.4 (20.5)
III (Semi-medium)	15 (25)	5.1 (2.7)	0.4 (1.1)	2.5 (2.7)	32.8 (32.1)
IV (Medium)	15 (25)	5.4 (7.1)	1.0 (1.0)	2.6 (2.5)	33.6 (36.9)
V ((Large)	14 (04)	6.7 (12.1)	1.2 (1.1)	3.1 (3.2)	44.0 (40.5)
All	74 (74)	4.3 (4.3)	1.1 (1.1)	2.9 (2.9)	34.8 (34.8)
Khori Brahmanan					
I (Marginal)	20 (1)	2.9 (0.3)	2.3 (0.0)	12.9 (0.0)	9.6 (0.0)
II (Small)	20 (28)	3.2 (1.6)	2.5 (0.0)	10.1 (19.0)	0.0 (5.7)
III (Semi-medium)	20 (32)	3.9 (3.0)	1.5 (2.4)	15.9 (12.1)	8.0 (4.4)
IV (Medium)	20 (33)	3.4 (6.1)	1.2 (2.8)	15.9 (12.6)	8.0 (4.4)
V ((Large)	20 (6)	9.8 (22.0)	5.7 (6.5)	10.3 (10.0)	7.9 (11.9)
All	100 (100)	4.7 (4.7)	3.5 (3.5)	12.3 (12.3)	6.4 (6.4)

Notes: Figures in parentheses indicate farm sizewise information. Wealth rank I indicates the poorest category of households and V indicates the richest category of households. Marginal = Up to 1 hectare, Small = 1-2 hectares, Semi-medium = 2-4 hectares, Medium = 4-10 hectares and Large = Above 10 hectares.

having larger farm size when grouped according to their wealth ranking than when grouped according to their land holding. And the reverse is true in the case of large farmers. This is more so in the case of Khori Brahmanan where non-agricultural incomes dominate. In fact, in this village medium size farmers are owning less land, on an average, than semi-medium size farmers. These discrepancies exist even when wealth ranked households are grouped (in numbers) according to farm sizewise groupings. This indicates that land assets are not the prime concern while ranking the households and hence may not reflect the well-being of the household. These differences seem to be present even in the land use pattern though the trends across size-classes, on the one hand, and wealth rankings, on the other, are somewhat similar, especially in Jheengar Bari. Due to the mis-match between wealth ranking and land ownership, it is observed that the poor households (as per wealth ranking) having irrigation facilities have a portion of their land under pasture and grazing and fallow categories. The relatioship between farm size and proportion of area under irrigation is a smooth and positive one, while is not smooth when the households are grouped according to their wealth ranking. This is more so in the case of less irrigated village.

It may be noted that the differences between wealth ranking groupings and farm size groupings are relatively less in the agriculturally dominant village (Jheengar Bari) compared to the village where non-agricultural incomes play a major role. This indicates that wealth ranking might provide differential results in the case of communities where non-agricultural incomes dominate. Therefore, using farm size to differentiate economic classes in all situations may result in erroneous conclusions.

In the present context, land ownership and access to irrigation, which are the standard variables in determining the economic status of the household, do not seem to reflect the well-being of the household, as perceived by the villagers. For, the poorest category of the households are owning more land and having irrigation facilities in the case of wealth ranking while farm sizewise categorisation shows the contrary. Discrepancies are observed even in the case of area under fallow. As the access to irrigation determines the cropping pattern to a large extent, differences between the two approaches are also observed in the case of cropping patterns across wealth groups (Table 4).

TABLE 4. CROPPING PATTERN ACROSS WEALTH GROUPS IN THE SAMPLE VILLAGES

(major crops)

Wealth rank (Farm size)	*Kharif* (per cent area under)		*Rabi* (per cent area under)			
(1)	Bajra (2)	Pulses (3)	Wheat (4)	Gram (5)	Mustard (6)	Onion (7)
Jheengar Bari						
I (Marginal)	72 (88)	28 (12)	0 (0)	0 (0)	0 (0)	0 (0)
II (Small)	47 (51)	40 (31)	7 (10)	2 (0)	2 (3)	2 (4)
III(Semi-medium)	42 (44)	33 (21)	11 (9)	2 (0)	2 (6)	7 (6)
IV (Medium)	34 (37)	34 (14)	12 (10)	6 (5)	6 (5)	3 (5)
V ((Large)	46 (31)	27 (20)	13 (14)	0 (4)	2 (5)	1 (3)
All	39 (39)	34 (34)	11 (11)	4 (4)	4 (4)	4 (4)
Khori Brahmanan						
I (Marginal)	100 (100)	0 (0)	0 (0)	-	-	-
II (Small)	64 (80)	31 (20)	4 (0)	-	-	-
III(Semi-medium)	60 (66)	34 (27)	4 (7)	-	-	-
IV (Medium)	51 (54)	41 (42)	4 (3)	-	-	-
V ((Large)	46 (41)	52 (47)	2 (6)	-	-	-
All	56 (56)	38 (38)	4 (4)	-	-	-

Notes: Same as in Table 3.

Here we have grouped the wealth ranked households according to the farm sizewise categorisation as the difference between equal division and arbitrary division is marginal. It may be noted that the discrepancies are more in the case of less irrigated (Khori Brahmanan) village.

The demographic aspects of the household are also analysed in terms of family size. Interestingly, both the approaches have brought out similar results (Table 5). It is generally assumed that the poor households have larger family size as compared to the rich. However, this hypothesis has been questioned by some of the recent empirical studies in India and elsewhere (Vyas, 1991; Reddy, 1996; Adams *et al.*, 1997). These studies are, in fact, in support of a reverse hypothesis, i.e., large farmers have bigger family size compared to their counterparts. The present analysis also supports this reverse hypothesis for both the approaches. These results vindicate some of the recent observations in the context of Rajasthan in this regard (Reddy, 1996). Therefore, these results validate the use of wealth ranking approach.

TABLE 5. AVERAGE FAMILY SIZE ACROSS WEALTH GROUPS IN THE SAMPLE VILLAGES

Wealth rank (Farm size)		Average family size			
		Jheengar Bari		Khori Brahmanan	
(1)		A (2)	B (3)	A (4)	B (5)
I	(Landless)	5	4 (3)	-	- (-)
II	(Marginal)	6	6 (7)	8	2 (3)
III	(Small)	6	6 (7)	7	8 (6)
IV	(Semi-medium)	7	7 (6)	9	8 (7)
V	(Medium)	9	8 (9)	8	9 (10)
VI	(Large)	8	9 (9)	10	10 (15)

Notes: Same as in Table 3.
A = When wealth ranks are grouped in equal numbers.
B = When wealth ranks are grouped according to farm sizewise groupings.

VI

CONCLUSIONS

The preceding analysis is very indicative of the validity of wealth ranking vis-a-vis the standard approach in social sciences research. It suggests that wealth ranking can provide differential and perhaps better results when compared to the standard farm sizewise analysis in the context of rural communities where non-agricultural incomes have a major share in the total household income. In this regard, wealth ranking could be considered as an alternative to the standard approach. In the dominantly agricultural communities, the inferences may not differ much between these two approaches. In such situations wealth ranking can score over the standard approaches in terms of its cost effectiveness. However, the cost effectiveness depends on the nature and purpose of the study one is undertaking. It would be cost effective as long as the study objective is limited to identifying policy needs and development planning such as identifying the poorest of the rural households. When the objective is policy research where one is concerned more with quantification and statistical rigour and robustness of the analysis, wealth ranking can only be used as a complementary tool to the standard questionnaire approaches rather than as a substitute. For,

it is often observed that participatory methods are constrained by the fact that they cannot go beyond identifying policy needs (Greely and Rowshan, 1995).

While it is clear that wealth ranking could be considered as a substitute to the standard approach in non-agricultural communities in a study of limited objectives such as identifying the policy needs, its application in general is constrained by theoretical as well as practical problems associated with it. Some of the important limitations are as follows:

1. While wealth ranking emphasises rural people's participation, is the so-called consensus formation devoid of micro politics and local influences at the village level? It is often observed that "how village elders create space for people to express difference of opinion in public meetings, and how through managing this space the decisions made generally favor village elites" (Richards, 1995, p.15). However, this kind of feudal influence of the elite is on the decline, especially in transitory economies like India.

2. The process of wealth ranking provides wider information base which makes the interpretation more complicated. For, as various criteria are used by the villagers to arrive at the ranking, one is not sure of the weightage given to each criteria by each individual. This makes the process more complex and incomprehensible at times. The inferences thus drawn without incorporating the weights may be statistically illegitimate (Maxwell and Bart, 1995).

3. Wealth ranking is not compatible with sampling as it is always carried out on a relative scale. This makes it difficult to carry out extensive research. Even in the case of intensive studies, the feasibility of its application is limited to small villages (about 100 households). In the case of large villages one may not be able to comprehend the various criteria they use while ranking a large number of households. Though it is possible to divide the large villages into small units on which ranking can be carried out, the validity of comparing or pooling such units is dubious as different groups of people might use different criteria.

Unless these limitations are addressed effectively, it is unlikely that wealth ranking can be considered as a substitute for the standard approaches. This calls for further research on comparing both the approaches in a variety of situations. The present study while focusing on two different situations validates the use of wealth ranking and emphasises its use as a complementary approach to the standard methods of income analysis in social sciences research. Though wealth ranking provides valuable information, its interpretation needs careful analysis rather than taking it on its face value. Wealth ranking would be more valuable when used as a complement to other methods of economic analysis instead of using it as an alternative.

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