

INCIDENCE OF RURAL POVERTY AND DEPENDANCY ON NATURAL RESOURCES

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Resources that occur naturally within environments are called as natural resources. Resource extraction means any kind of activity that withdraws resources from nature. Rural poor depend heavily on natural capital. The poorer the household, the heavier the contribution of natural resources to household income. Many studies have been published on the relationship between poverty and natural resources but the degree of dependency is yet to be established. Therefore, this study queried the depth of dependency of poor on natural resources. Padaviya Divisional Secretariat of Anuradhapura District was selected for this study. It is the highly poverty stricken division of the district. Of the division, Bogahawewa *thulana*, Kumbuckwewa *thulana* and Bisokotuwa *thulana Grama Niladhari Divisions* (GN) have the poorest villages. The study used data collected from a field survey conducted with 100 household units selected randomly from the above GN divisions. According to Foster-Greer-Thorbecke poverty index, the fraction of the population, which lives below the poverty line is 0.07 ($\alpha=0$). Out of them 5% totally depended on natural resources. About 76% of the households extract natural resources and out of them 30% depended totally on natural resources. There is a significant positive correlation ($p<0.05$) between total value of natural resources extracted and per capita income of the respondents. The value of natural resources extracted positively correlated with, farm gate price of extracted resources and labour hours of extracting natural resources while negatively correlated with cost of extraction ($p<0.05$). According to Foster-Greer-Thorbecke poverty index, average poverty gap is -4183.03 which indicates the amount of income necessary to bring everyone in poverty right up to the poverty line ($\alpha=1$). Therefore, this study concludes that, not only the poor but also the non poor depends on natural resources for their livelihood and when the income from natural resources increases the fraction of population lives below poverty line decreases. For the sustainability of environment it is better if people could be made aware of the volume of natural resource extraction therefore it will reduce over exploitation.

Keywords: Households, Natural resources, Padaviya, Poverty