

ECONOMICS FACTORS AFFECTING RURAL POVERTY IN RELATION TO LAND TITLE

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ABSTRACT

Economic factors like monthly income level, monthly living expenses, machine and equipment facility, quantity of cultivated land, and *Samurdhi* support have been recognized as major contributors in the analyses for the effects of economic factors and land title. Primary data and secondary data were collected from two samples respectively, households with agricultural ownership and without agricultural land ownership. The objective is to study the economic factors affecting rural poverty on the basis of their position in relation to agricultural land title. The monthly income of agriculture land less people is lower than the group with ownership of agricultural land as households without agricultural land returned a percent of amount of their harvest to the land owners as a rent; hence their monthly income is decreased. In the cultivation, the machine and equipment facility are important as it affect the cost of production of the households. There is positive relationship between the agriculture land size, agriculture land title and the profit.

Key words: Economic factors, rural poverty, Agricultural land ownership

BACKGROUND OF THE PROBLEM

Social welfare through poverty alleviation is the first and foremost objective of any developing economy. Normally the majority of the rural populations in the developing economies are dependent on land as their primary source of income. The landholding pattern is a major determinant of their economic solvency, social power structure and hierarchy. Settlement schemes of colonies in the dry zone are the most

prominent programmes of land alienation, which were greatly expanded alongside the Accelerated Mahaweli irrigation scheme from the late 1970s onwards. The land ownership legislation introduced in the 1970s was influenced by socialist ideas which also drove the nationalization of assets owned by private companies and large land holdings held by local elites. Access to land tenure security is at the heart of all rural societies and agricultural economies. Land is not simply an economic resource. It is an important factor in the formation of social and cultural identity and in the organization of religious life. It is also an enormous political resource, defining power relations between and among individuals, families and communities under established systems of governance.

Land issues have an impact on the everyday choices and prospects of poor rural people, for example issues of land access and security of land tenure strongly influence decision on the nature of crops grown, whether for subsistence or commercial purposes. Such issues also influence the extent to which farmers are prepared to invest in the improvement in production in sustainable natural resources management, and in the adoption of new technologies and promising innovations. They also have an impact on people's access to financial services and on their capacity to interact and take advantage of markets.

The causes of landlessness and near-landlessness are numerous including dearth of land, rapid population growth, low productivity in agriculture, lack of effective government policies, colonial legacies etc. Due to these circumstances, land-oriented poverty and rural to urban migration without any expansion in the housing and utility services lead to the expansion of slums with all affiliated social problems.

The state has been eradicating poverty by raising their standard of living through preventing the concentration of wealth and means of production and distribution in the hands of a few. Landlessness often proves to be both the cause and the

manifestation of poverty, insecurity, indebtedness and powerlessness of the majority of rural households.

IMPORTANCE OF AGRICULTURAL LAND

According to primary data, most of the respondents of Agriculture landless people totally agree with the idea of "Agriculture land performs a vital role in Alleviation of poverty" and most of the respondents of Agriculture land owned households are Neutral with that statement.

Table 1: Importance of agricultural land in the alleviation of poverty

	Agriculture land owned Households percentage (%)	Agriculture landless Households Percentage (%)
Totally disagree	0	0
Disagree	5.26	0
Neutral	44.74	0
Agree	34.21	8.33
Totally agree	15.79	91.67
Total	100	100

Source: Field Survey data

Table 1 indicate that 44.74 percent of respondents are Neutral, 34.21 percent of total households have Agreed, 5.79 percent of people have Totally agreed and 5.26 percent of respondents have Disagreed with the idea of "Agriculture land performs a vital role in Alleviation of poverty" in the sample of Agricultural land owned households. Majority of the households in the sample of Agricultural landless households have totally agreed or totally agreed with the idea that "Agriculture land performs a vital role in Alleviation of poverty".

OBJECTIVES OF THE STUDY

I. Study the effect of economic factors for rural poverty in relation to land title.

This research is expected to study the economic factors that affect rural poverty. This study would help to identify the importance of agricultural land title and its impact on the advancement of the standard of living of the poorest strata of the population.

METHODOLOGY

The study was conducted at Hungamalagama village in Dehiattakandiya D.S. area in Mahaweli system C. It is situated in Ampara District, being bounded by Monaragala District in the south, Kalmunai on the east, Padiyatalawa in the west and Mahaoya and Girandurukotte in the North.

Hungamalagama has a land area of 570 acres. This is one of the villages in Mahaweli System C. In the study area, there is a total population of 250 families. Most of the people are working as day laborers. However 190 families have agricultural land which is 76% of total families in the study area and about 60 families do not have agricultural land which is 24% of total families. In the study area, the main occupation is the Agriculture or agriculture related activities. Landless people are engaged in some diversified occupations that results in income differentiation in the village economy.

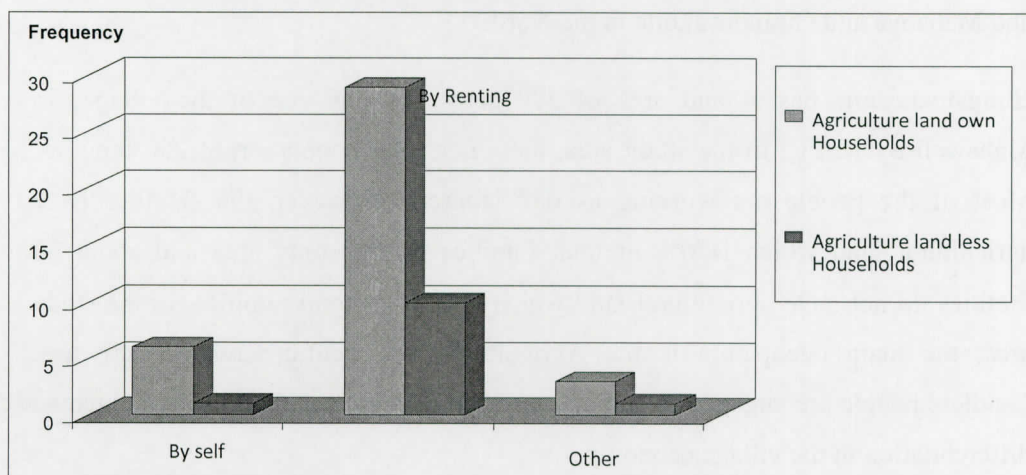
Samples families from the landless and land owned households were selected with the use of simple random sample method based on the land allocation. In order to that sample selected representing 20 percent and it resulted was selecting 12 landless households and 38 land owned households. Household's number was selected by using random number table from the householders list.

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MACHINE AND EQUIPMENT FACILITY

In the cultivation of paddy, the machine and equipment facility is important, because it has an effect on cost of paddy. Figure 1. shows that majority of the respondents (76.32 and 83.33) obtaining machine and equipment facility through Renting in the sample of agriculture land owned and landless households. 15.79 percent of total households obtained machine and equipment facility through self-owned machine and equipment and 7.89 percent of respondents obtain that facility through other ways in the sample of agriculture land owned households. 8.33 percent of total households obtained self-owned machine and equipment and other ways in the sample of agriculture landless households.

Figure 1: Machine and equipment facility in paddy cultivation



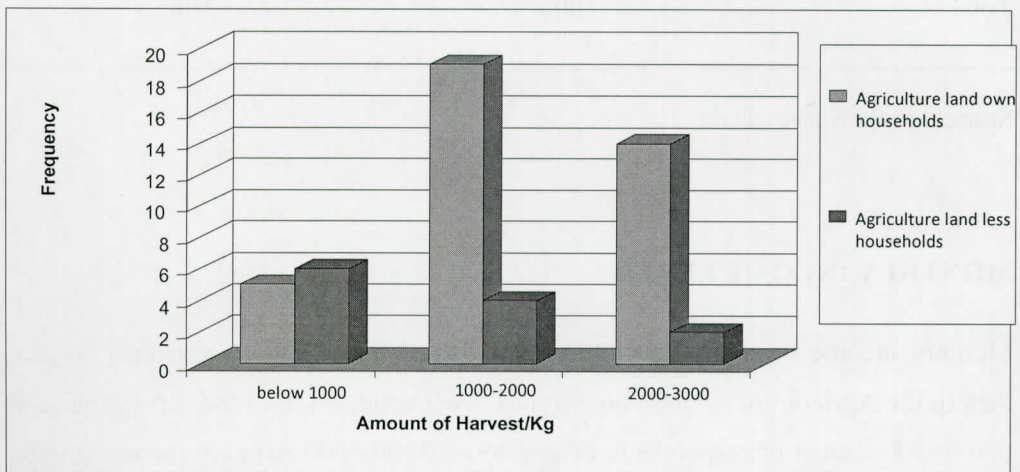
Source: Field Survey Data

QUANTITY OF PADDY HARVEST PER ACRE

In the study of paddy harvest per acre, paddy harvest of Agriculture land owned households is higher than in the Agriculture landless households. This situation may arise from the fact that Agriculture landless people do not maintain paddy land

systematically. Figure 1 shows that, 50 percent of total households have obtained a harvest between 1000-2000 kg, 36.84 percent of the respondents received between 2000-3000 kg and 13.16 percent of total households received below 1000 kg in the sample of agriculture land owned households. Majority of the respondents have obtained a harvest between below 1000 kg, 33.33 percent of the respondents received between 1000-2000 kg and 16.67 percent of total households have obtained between 2000-3000 kg in the sample of agriculture landless households.

Figure 2: Quantity of paddy harvest



Source: Field Survey Data

QUANTITY OF CULTIVATED LAND

The cultivated land is an important factor in people's income level. According to Table 2, 100 percent of the respondents cultivate between 2-3 acres paddy in the sample of agriculture land owned households. 91.67 percent of total households cultivate paddy between 2-3 acre and 8.33 percent of the respondents cultivate paddy between 1 to 2 acres in the sample of agriculture landless households.

Table 2: Quantify of cultivated land

Amount of cultivated land	Agriculture land own Households percentage (%)	Agriculture landless Households Percentage (%)
below 1 acre	0	0
1-2 acre	0	8.33
2-3 acre	100	91.67
Total	100	100

Source: Field Survey Data

MONTHLY INCOME LEVEL

Monthly income level of Agriculture land owned households is generally higher than in the Agriculture landless households. Data collected from the survey indicate that 86.85 percent of respondents belong to Rs 3000-5000 monthly income group. The highest monthly income level, more than Rs 10,000 and 7500-10000 was received by an average of 2.63 percent of respondents in the study area. Further, 2.63 percent of the households belong to the below Rs. 3000 income level and about 5.26 percent of the respondents earn about Rs.5000-7500 in the sample of land owned households. However, 75 and 25 percent of respondents respectively have earned below Rs. 3000 and 3000-5000 in the sample of Agriculture landless households. No respondent is in the category of Rs. 5000-7500, 7500-10000 and more than 10000 income categories in the Agriculture landless households.

Table 3: Income level

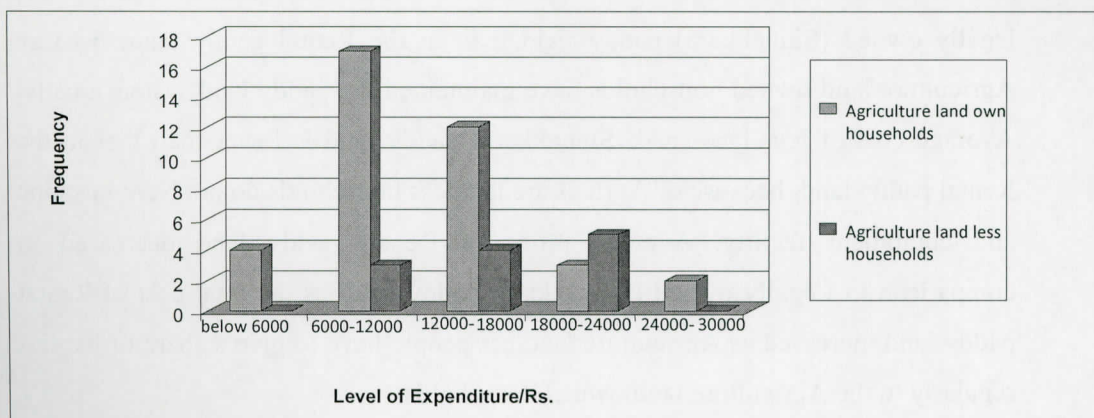
Level of Income (Rs.)	Agriculture land owned Households percentage (%)	Agriculture landless Households Percentage (%)
Below 3000	2.63	75
3000-5000	86.85	25
5000-7500	5.26	0
7500-10,000	2.63	0
More than 10000	2.63	0
Total	100	100

Source; Field Survey data

MONTHLY EXPENDITURE LEVEL

Expenditure is an important component of day to day life of the people, which indicate their capacity to be involved in day to day economic activities.

Figure 3: Expenditure Levels



Source: Field Survey Data

According to Figure 3, majority of the people (44.74) have a monthly expenditure of Rs 6000-12000 for the day to day needs on food, clothing, health, travel, education, loan repayment and interest premium payments and other minor expenses. 31.58 percent of respondents belong to the Rs 12000-18000 expenditure group, 10.53 percent of the respondents are below 6000 expenditure level, 7.89 percent of the respondents were belonged to the Rs 18000-24000 expenditure category and 5.26 percent of the respondents were belonged to the 24000-30000 expenditure group. Highest Expenditure category in the sample of Agriculture land owned households record between 24000-30000 Rupees of expenditure.

In the sample of Agriculture landless households, 33.33 percent of total households expend between Rs 12000-18000, 41.67 percent of the respondents belong to the 18000-24000 expenditure group and 25 percent of respondents expend Rs 6000-12000 and there is no person in the category of Rs 24000-30000 and below 6000 expenditure level.

AVERAGE REVERNUE, AVERAGE COST AND AVERAGE PROFIT

Average revenue, average cost and average profit depends on the Land title in this research. According to Table 4, Average income and Average profit is higher in the legally owned (Sinnakkara) paddy field than in the Rental paddy land, because Agriculture land owned households have maintained the paddy land systematically. Average cost of legally owned (Sinnakkara) paddy land is lower than that in the Rental paddy land, because of Agriculture landless households do not have machine and equipment facility. Average profit of Rental paddy land decreased in comparison to Legally owned (Sinnakkara) paddy land, as the total cost of Rental paddy land increased as Agriculture landless people have to give a share of harvest regularly to the Agriculture land owned households.

Table 4 : Average revenue, average cost and average profit per acre

Land Title	Average revenue	Average Cost	Average Profit
Legally owned (Sinnakkara)	43840.53	24191.58	19648.95
Rental	33210.53	25842.17	7368.42

Source: Field Survey Data

THE PEOPLE BELOW THE POVERTY LINE

Here we assume that poverty line is Rs. 2000, for the area, the study area is located in a rural area and the current national poverty line is about Rs. 2500. The adjustment was made because the study area is very small and most of people are in the category of landless people and in the category of below the poverty line.

Table 5: The people who are below the poverty line

Land Title	Percentage (%)
Legally Owned (Sinnakkara)	10.53
Rental	33.33

Source: Field Survey Data

Based on the study, 33.33 and 10.53 percent of the respondents belong to below the poverty line in the sample of Agriculture land less and agriculture land owned households respectively.

CONCLUDING REMARKS

The mean monthly income is above Rs. 3000 Rs. in agricultural land owned household and most of the respondents of agricultural land less household's income is below Rs. 3000. Total expenditure of the agriculture land owned household has not exceeded Rs.12000 per month and Rs.2400 is the limit for the agriculture land less households. On the other hand monthly expenditure level of the agriculture land owned household is comparatively higher than the landless group. This was due to paddy harvest was 1000 Kg per acre in agricultural land owned household and also the cultivated land average is 2 or 3 acres for the agricultural land owned households. The monthly income of agriculture landless people is lowered due to their payment of rent to the land owners. Quantity of paddy harvest per acre is decreased in the agriculture landless people as they have used low quality seeds. The solutions to above situation in the study area involve making extra land available to people without land, introduce the man day method for decreasing cost of cultivation and conducting awareness program on agriculture land maintenance for people who cultivate rented lands. Issuance of better seed varieties and developing avenues for self-employment is a further way of improving the conditions of landless people.

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