

IMPACT OF LAND HOLDING SIZE ON EQUITABLE INCOME DISTRIBUTION OF RURAL FARMERS (STUDY CONDUCTED IN KAHATAGASDIGILIYA DIVISIONAL SECRETARIAT AREA, ANURADHAPURA)

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Poverty has been defined by many people in different ways and different measures are used in assessing the poverty level. Although, different governments came into power in Sri Lanka have introduced numerous activities to eliminate poverty, it is still remaining. According to the Department of Census and Statistics, 82.1% of the Sri Lankan rural people are poor, which is approximately 2.3 million people. Poverty is the accumulated out come of a series of causal factors and land ownership is one of them. The present study was conducted with the objective of identifying the impact of the distribution of land holding size on equitable income distribution of rural farmers. The study was conducted with a random sample of hundred farmers in a rural village "Ranpathwilla" in Kahatagasdigiliya Divisional Secretariat area, Anuradhapura district.

The Gini coefficient was computed using the data gathered through the field survey and the value was 0.2449. According to Tordaro, the Gini coefficient value of 0 shows perfect equality and the Gini coefficient value 1 shows perfect inequality. In highly unequal income distributions the Gini coefficient values typically lies between 0.5 and 0.7, while in relatively equitable distributions, it is in the order of 0.2 to 0.35. The Gini coefficient value computed in this survey was 0.2449 which shows relatively equitable income distribution among the rural farmers.

Ranpathwilla is a traditional village and the farmers owned lands from their forefathers. As a result of the increasing population land fragmentation occurred, land size has shrunk resulting income disparity among the rural farmers. So, there are rich as well as poor people in this village. However, as this village is a traditional rural village with a small population land fragmentation is not very severe there. So, there is no highly inequitable income distribution and the Gini coefficient value remained as 0.2449. Another reason for the income disparity among the farmers is land ownership and some of the farmers do not have own lands, and the farming activities are done on mortgaged and/or encroached lands. As a result they had to pay a considerable fraction of their income to the land owners.

The income level of the farmers can be increased even under these conditions by introducing farm mechanization into agricultural lands. This will reduce the labor cost and enhance the income of the farmers by increasing the land use efficiency. Also correct guidance and providing accurate information about the current market situation

are important. As the final outcome of these activities it will enhance the income of the farmers by reducing the inequality of the income distribution.

Key words: Poverty, Equitable income distribution, Income disparity, Gini coefficient, Equity