CHAPTER I

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INTRODUCTION

1.0. 'Poverty anywhere is a threat to prosperity everywhere'. Poverty has really got a 'spread effect' and if it is allowed to spread it will even destroy the entire globe. Besides, it is also noted well that poverty actually breeds lot of political, social and economic problems in a country. Poverty leads to different kinds of misery and social and economic backwardness. Poverty is a dangerous situation of social and economic slavery and very poor nature of standard of living of the people. Studies also have proved that the degree of poverty is very high in agricultural nations like India, rather than industrial nations like U.S.A. This is because of the fact that the demand, price and profit of agricultural products are relatively lower in markets rather than for industrial products. It is also found out that the level of poverty is also high in rural areas rather than in urban areas, even though urban poverty is also sited in less developed countries like India.

In general, poverty is closely associated with certain social and economic indicators or factors such as very backward castes and communities, fate, ignorance, illiteracy, untouchability, high faith in religious ceremonies and backward philosophies, unwanted political hero worship and also related to severe unemployment, over
population, unskilled labourers, under-utilisation of Natural resources forbiddance of 'chance' and 'opportunities' to take suitable and equal occupations in societies, too much concentration on agriculture, low production, poor quality of the goods produced, low price, low income, low standard of living and so on and so forth. Thus it is understood in clear term that poverty is a very 'dangerous' and 'common disease' of social and economic retardation and it will simply take away all the glories of a happy and enjoyable life of man on earth. Poverty among the small farmers in Srivaikuntam Taluk is not an exception to this sad state of affair. As such, it really poses a very important, genuine and 'relevant research problem' to probe into the various causes at length and also to find out suitable measures and policies to eradicate poverty from this place at an earlier date and to liberate all poor small farmers of this region from these social and economic problems and establish economic prosperity in Srivaikuntam Taluk.

1.1. Origin and Historical Development

The concept of Poverty

History has it that poverty is a 'world – wide phenomenon' both till the end of the 'Darker Ages' (13th century) and after the dawn of the New Era of World Development from the 14th century, till date. The worst one at the Global level was experienced in the 19th century and it was called the 'Great Depression of the 1930's. World History also shows that the severity of poverty and misery started to decline in
the Western Block of the world from the first part of the 17th century as the European countries were successful in completing the very great 'Agricultural Revolution' and 'Industrial Revolution', respectively. But, studies on poverty again indicated clearly that the countries of the 'Eastern Block' could not overcome the cruel clutches of this dangerous social and economic period, due to the increase of population (over-population), capital shortage (Paucity of capital) and poor and out-mode technology of production. Besides, it is also found out that the wrong planning programmes, inefficient Government, corruption and unbalanced growth of many countries, including India and above all these nations still highly being agriculture oriented societies are unable to find out concrete and permanent solution to do away with poverty and misery completely and emerging as world power, atleast in the 21st century. Their primary occupation is agriculture and agriculture related activities like cattle rearing, poultry, piggery and working as backward landless agricultural labourers. The total population of the villages of Srivaikuntam Taluk is 1,17,594. But, it is seen that nearly 47.02% of the people live below the poverty line in this area. Thus, it shows the fact that there is 'ample scope' and 'need' for the selection and fresh research study on the poverty among the small farmers in Srivaikuntam Taluk.
1.2. Meaning, Concept and Definitions of Poverty

Poverty has been defined as that situation in which an individual fails to earn income sufficient to buy his or her bare means of subsistence.\(^4\)

Poverty can also be defined as a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life.\(^5\)

Poverty in human terms means little to eat or wear. The most obvious meaning of poverty is low per-capita with mal-nutrition, poor health, low literacy and primitive shelter. In economic terms it signifies a propensity to consume rather than to save income and hence it presents lower ratios of capital to labour.\(^6\)

Poverty has been defined as the gap between income on the one hand and certain minimal standards of life on the other.\(^7\)

World Development Report (1990) defines poverty as "the inability to attain a minimum standard of living. Poverty may be both sociological and economic phenomena".\(^8\)

Dr. Gupta, an eminent sociologist states, "low occupation insanitary shelter, bad health, low education, large family and powerlessness all combine to generate poverty".\(^9\)
Rajeshwar Mishra believes that, “when a substantial segment of a society is deprived of the minimum level of living and continues at a bare subsistence level, that society is said to be plagued with mass poverty.”

Though the slogan “Garibi Hatao” (Remove poverty) has caught the attention of the people since the mid-term elections to the Lok Sabha in March 1971. The objective contained in the slogan is not a new one. Removal of poverty and raising the standard of living of the people have been the twin objectives of our economic policy since independence. The disgusting fact that majority of Indian masses had been condemned to a very low level of living in the past decades is a matter of common knowledge. Poverty in India is so obvious that it does not need any proof. A cursory glance at the living conditions of the people in rural areas and the cities provides ample evidence to the extend of poverty in our country.

The ill – fed people living in dilapidated house, wearing shabby and torn clothes, their worn – out faces and fatal disease all exhibit the impoverished plight of our country.

1.3. Poverty Line

The poverty line is set up by the planning commission. It is based on nutritional norms and defined in terms of the level of per-capita consumption expenditure needed to provide average daily
intake of 2400 calories per person in rural areas and 2100 calories in urban areas, plus a minimal allocation of non-food items.\textsuperscript{12}

Poverty line as per the Government of India, is approximately Rs.300 per month (enough money to buy 2200 calories of food per day from the public distribution system).\textsuperscript{13}

Poverty line is also defined in terms of annual income of a family consisting of five members on an average. The poverty line has been changing from plan to plan. It was Rs.3,500 per family in the Sixth plan, which was increased to Rs.6,400 in seventh plan. However, the income level of Rs.8,500 was taken as the cut-off point for identification of poor families in eighth plan. In the Ninth plan the amount was further raised to Rs.16,144.\textsuperscript{14}

1.4. Some Salient Views and Features of Poverty

Dr. V. M. Dandekar and Rath had estimated the value of the diet as 2250 calories as the desired minimum level of consumption per man, per day. But, it is foundout that many people in India and in the selected study area not even having 1400 calories of food consumption per day. Prof. Minhas has shown that the level of per capita annual consumption expenditure is only Rs.240 and it actually aggravates Rural poor and Rural Poverty. Prof. Bhardhan's study on Poverty has stated that poverty and misery are very high among
agricultural labourers, when compared with their counterparts, even today.

Prof. Montek Ahluwalia's study on Rural Poverty points out the fact that the 'incidence of poverty' is very high in rural areas from 1956-57 because of the fact that most of the Indian villages are still kept as farm oriented rather than development of industries.

Prof. P.D. Ojha was of the opinion that India and China are two great countries of the world, where millions of people live below the poverty line together, fairly for a long period of time. He further stated that this is mainly due to the wrong planning programmes of the respective Governments and not improved all the required infra-structures and converted these nations into powerful industrial countries by using their vast and unlimited Natural resources and huge man power.

The study made by World Bank on Poverty in India also have foundout the fact that in India, Rural Poverty is much greater than Urban Poverty, because of the fact that only the 4 major Metropolitan cities and some other 250 cities and towns alone were industrially developed in India. There was no uniform industrial policy adopted in all the 5.6 lakhs of villages that are seen in the Indian Economy, for years together.15
Profs. Kamala Suri and Ghankadharan have stated that the main causes for the failure to reduce poverty in India is that the many Planners, Administers and Rulers (politicians) of the nation over the years for some or other vital reasons had greatly concentrated only in the development of existing towns and cities in India. Moreover, the available total income of the nation was also not ‘equally shared’ and spent among the needy masses, especially who live in rural areas of the nation. Rich became richer and poor became poorer. The development of all the basic infra-structures like that of schools, health centres, training centres, new employment potentialities, better production techniques, marketing centres, trade practices, transport and communications were not established on an uniform manner in the remote villages of the nation.16

The researcher has to delve into the research to see whether such backward conditions prevail in Srivaikuntam Taluk of Thoothukudi District of Tamil Nadu – our study area.

1.5. The Vicious Circle of Poverty

The most severe form of Poverty and Misery that ruthlessly haunters and erodes an economy is the ‘Vicious Circle of Poverty’. Both Profs. Gunnar Myrdal and Ragnar Nurkse who have studied the various severe socio-economic problems of Eastern countries, especially Indian Sub-Continent at a deep and wider level clearly point out the fact that ‘Indians are poor because they are poor’.
By virtue or by birth due to various social, cultural, communal, ideological and economic differences and principles they are always kept under the 'cruel trap' of poverty and misery. They are unable to break and come out of the poverty trap of themselves, even after completed 10 Five year Plan programmes with all their available resources and man-power.

The major features of vicious circle of poverty are paucity of capital, low investments, low production, low productivity, poor trade practices, low income, low demand, low savings and low consumption and very low standard of living.

Poverty in India has been mainly conjured up as a 'circular process'. Prof. Nurkse pictures it as a 'circular constellation' for 'negative forces', tending to act and react upon one another in such a way as to keep a poor country in a state of 'utter poverty', even in the long run.

The 'same phenomenon' is equally seen in Srivaikuntam Taluk of Thoothukudi District in Tamil Nadu, for quite a long period of time. Apart from not having sufficient job opportunities, these people are also not having enough food materials, shelter and better clothing and other necessary things, at least to have the 'bare necessities of life'. The educational and health conditions of these people are also far away from the satisfactory condition.
1.6. Poverty in India

Many recent studies on poverty in India has also found out certain other important factors for the prevalence and spread of poverty in the various parts of the nation. It is estimated that India has roughly 5.6 lakhs villages and still today India lives in its numerous villages. And, it is also found out that till today most of the Indian villages are socially and economically seem to be very backward with lot of traditional and hereditary ideologies and philosophies. Many Indian villages even now not having proper roads, electricity, water and sanitary facilities. There is no unity among the people and there is lack of public co-operation with the Government to adopt any new and modern economic ventures of the Western style. The degree of exploitation by the village land-lords, rich people, middle-men, high caste people and some politicians are also very high on these poor rural masses. The old tenancy farming system and the non-availability of modern production technologies in remote rural areas of the nation also keep the tempo of poverty and misery condition even today, from the dawn of Independence since 1947. The Central Statistical Organisation of India states that the over all percentage of poverty in India is 38% and the degree of poverty is still higher in villages rather than in towns and cities of the nation. And it is also a great wonder to note that even after 10 Five year Plans have been completed, the degree of poverty has not declined to the expected level in villages.
1.7. Poverty in Srivaikuntam Taluk

Srivaikuntam Taluk of Thoothukudi District, the present topic selected for the research study and the study to be made on poverty among the small farmers in this village also clearly reflects all the true characters of a typical Indian village and it is found out that this region is socially and economically backward for fairly a long period of time. The initial spade works on the research study on this Srivaikuntam Taluk villages show that most of the people, living in these remote villages are happened to be very poor, small farmers and are living in acute poverty and misery.

1.8. The high degree of Positive Correlation Between Agricultural Labourers and Poverty in Srivaikuntam Taluk

The Administory Officers and other Local Authorities of Thoothukudi District, where the Srivaikuntam Taluk—‘the focal center’ of our study area falls state in detail that the majority of populations happens to be ‘small’ and ‘marginal agriculturists’ and others also happen to be very poor landless agricultural workers. They say that the geographical conditions of this place is also very hot and mostly barren land and there is no chance for starting any ‘industrial estates or production of industrial products’. Besides, they also point out the fact that most of these farmers have very poor returns from their lands and live below the Poverty Line and it is a serious and fatal fact to note that the average percentage of poverty (47.2%) of Srivaikuntam Taluk in Thoothukudi District happens to be much higher than the
National Poverty Percentage of 38%, according to the 2001 census Report. This relationship clearly coincides the 'serene concept of poverty', projected by great authorities on the study of poverty and misery like Profs. Adamsmith, R. Nurkse, Myrdal, Abdul Assiz and Amartyasen that more the people indulge in backward agricultural occupation, more would be the degree of poverty among the people. It is positively correlated.

And, as such the present research study on poverty among the small farmers of Srivaikuntam taluk gets much significance, need, greater attention, scopeful, vital and the need of the hour.

1.9. Scope of the Study

The study is mainly confined to the level of livings of small farmers in the rural areas of Srivaikuntam Taluk in Thoothukudi District. There are 133 villages in Srivaikuntam Taluk. Among these villages only 5 villages namely Sawyerpuram, Subramaniapuram, Mangalakurichi, Mukkani and Sivakalai are taken in this study.

For those villages the sources, composition, pattern of income and consumption of small farmers have to be studied. The study examines the degree of inequality in the distribution of income and per capita consumption of small farmers. Attempt has been made to study the assets and liabilities of small farmers. The extent of
poverty that prevails among the households of small farmers in the
taluk is to be studied.

1.10. Importance of the Study

The present research study on the selected topic, ‘A study on poverty among the small farmers in Srivaikuntam Taluk’ is highly scopeful and needful in several ways. First of all, it is an open secret to note that many parts of Tamil Nadu State still happened to be agriculture based villages and the main occupation of majority of workers of Tamil Nadu villages happen to be agriculture and agriculture related activities. Secondly, authentic surveys like U.N.O. and W.H.O. point out the fact that when compared to many Western countries, India and especially Tamil Nadu happens to be highly an agriculture nation and not at all an industrially developed economy. Thirdly, it is also proved that while in Western Countries and most of the EEC nations have only less than 10% of the total working population engage in agricultural operations, it is estimated that nearly 48% of the working population happen to be agriculturists in India and it is the same case with regard to South Indian States like Tamil Nadu and Srivaikuntam seems to be a typical example in this regard.

Fourthly, it is also found out that among the total agriculturists, most of the farmers are found out to be small farmers,
marginal farmers and landless agricultural labourers and artisans in this area.

Fifthly, the initial studies and surveys have also shown the fact that the small farmers of Srivaikuntam Taluk greatly suffer in carrying out farming in several ways due to paucity of capital, excess unskilled labour supply with very low wages, very poor farming facilities, poor water supply, lack of grassing lands, low loan repayment capacity and lot of similar other cultivation problems and in similar agriculture allied occupations. That is why 'an exclusive section' is allotted for a full fledged study on the salient farming problems of the small farmers in this much backward region of Tamil Nadu.21

Therefore, this detailed research study becomes highly essential, needful and significant to bring social economic development in this area in future.

1.11. Research Problem in Poverty

Although some efforts were taken by the concerned authorities even now and then, the rural poverty among the small farmers, marginal farmers, landless agricultural workers, artisans and other poor people of Srivaikuntam Taluk could not be eradicated so far. Among them it is the small farmers and marginal farmers who are most affected. Their social and economic conditions are very low. The
standard of living of these people further becomes very bad, as the total size of population in this area becomes larger. The small farmers and other related down-trodden people of this region are very much neglected, exploited, depressed in several ways and are experiencing very great social and economic problems at present.

Hence, it needs a very 'urgent attention' and a very detailed and deep research study to probe into the several factors of this acute rural poverty and this scientific research study would certainly bring all the expected findings of the problems and would certainly pave the way of bringing an elaborate and effective planning and policy programmes and would help much the local authorities and the Government to eradicate the rural 'poverty from Srivaikuntam Taluk of Thoothukudi District' on a full – scale and would create a perfect and 'permanent action' for bringing social and economic freedom and economic prosperity and very high standard of living conditions, in the near future.

Therefore, it may be stated in concrete terms that there exists a real 'research problem' in the present research study and this study would also become 'a model' for emerging research studies in several other backward areas of the economy, in the days to come.
1.12. Definitions, Terms and Important Concepts of Poverty

1. Household

Household rather than an individual farmer constitutes the basic unit of the study. A household consist of members of a family is a farmer then the family is considered to be a farmer household irrespective of the nature of the work done by others.

2. Small Farmer

The concept of small farm bristles with many problems, what is a farm in one region may not be considered small in another. In identifying the small farm the literature has tended to focus on criteria like farm size, income, level of technology, organisation of economic activity, degree of integration and traditional modern agriculture. This has been explained in Chapter III.

3. Household Income

Household income is the total of the annual incomes of all earning members of the family. The income includes farm business incomes and non-farm incomes.

Farm business income is calculated by deducting the cost of materials (whether purchased or home produced) and paid labour and sundry costs (mainly rent of land) from the value of gross crop output. If the head or any member of the household goes for any agricultural works for wages the income from this wages paid
employment from agriculture is also included. Income from sources other than agriculture occurring to the members of the family has also been added.

4. Expenditure

Expenditure includes expenditure on food items and non-food items. Food items consist of expenditure on food and non-food items including expenditure on house rent, fuel, lighting, education, clothing, foot-wear, medical expenses, transport, recreation, social and religious expenditure and others if any.

5. Asset and Liabilities

Assets possessed by the households of small farmers include house, land, livestock, radio, jewels, cycle, agricultural implements, furniture and others if any. To assess the liabilities and outstanding liabilities were found out. Current liability is the excess of annual expenditure of a household over its annual income. Outstanding liabilities of household include the past debts incurred by the households together with the interest with the charges payable by the households.

6. Joint Family

The joint family is a contiguous family unit that includes two or more of generations of kindred related through either the
paternal or maternal live, who maintain a common residence and are subject to common social economic religious regulations.

7. Nuclear Family

The Nuclear family is a family systems in which a couple live with their unmarried children.

8. Tools used for Measurement of Poverty

Depending upon the need of the study, various statistical tools have been used in the study.

Lorenz Curve has been used to show the degree of inequality in the per capita distribution of Households of small farmers. To measure poverty the following three methods have been used in this study.

A. Head Count Ratio

B. The Proportionate Income / Expenditure gap

C. Sen's Index of Poverty

A. Head Count Ratio

The head count ratio measures the proportion of the households whose per capita income is below the poverty line.

\[
\text{Head Count ratio } H = \frac{\text{Number of Poor Households}}{\text{Total number of Households}}
\]
B. The Proportionate Income / Expenditure gap

The proportionate Income / Expenditure Gaps measure the shortfall in the average percapita income / expenditure of the poor from the poverty line.

Proportionate Income / Expenditure Gap

\[ \frac{\sum (z - y_{oi})}{qz} \]

\( i = 1 \)

\( q = \text{Number of poor households expenditure} \)

\( z = \text{Poverty line} \)

\( y_i = \text{Income of the ith poor household} \)

C. Sen's Index of Poverty\(^{25}\)

Sen's Index of poverty \( P \) is measured by the following formula:

\[ P = H \{ I + (1 - I) G \} \]

Where \( H = \text{Head Count Ratio} \)

\( I = \text{Proportionate Income / Expenditure gap} \)

\( G = \text{Gini Co-efficient of the income / expenditure distribution of the poor} \)

9. Percapita Income of the Household

Annual percapita income of the household is obtained by dividing the annual household income by the members in the households.
10. Family Size

Family size means the total number of persons in the household.

11. Rural Poverty

Rural poverty means an annual per capita income of Rs.3,228.84 of a rural family consists of five members as per the 9th Plan.

From the above detailed but critical various relevant analyses on the numerous ‘ecological factors’ that affects the growth and development of the Area of Study–Srivaikuntam Taluk of Thoothukudi District of Tamil Nadu, it is noted in clear terms that there is a very great gloomy impact of the above studied environmental factors on the living conditions of small farmers in this selected research area. As such, this chapter clearly brings out to the lime-light the real need, scope and significances and uses of the present research study to do away with the poverty levels among the local people of this region, as early as possible.

Conditions of Poverty in Srivaikuntam taluk

It is noted well that the increased population with relatively a high degree of hot climate and dry land and also with absence of needed infra-structures for the development of industries
and modern growth programmes in this taluk, keep this taluk as a most backward region of Thoothukdi District, for years together.

1.13. Limitations of the Study

The study is mainly confined to the year 2004-2005. The required data were collected through direct personal interview. The households covered under the present study don’t have any recorded data in connection with their levels of income and expenditure for the previous years. Further they have the inclination to give low figures related to income. The approximate figures given by them were used to calculate the income and expenditure levels of households.

It is a study of single taluk. Therefore, generalisation on the basis of this study is very much limited. The present study is confined only to the study of social economic and welfare conditions of small farmers in the study area.

The study is only a cross section analysis. Further the productivity of land, irrigation and weather condition are kept constant for our study.

However, the researcher has taken all efforts to make the study genuine by giving proper attention in every stage of the survey.

The researcher has understood that such studies could be made more exhaustive by carrying out few changes in the study. The
magnitude of indebtedness and the role of money lenders could be
analyzed further. The respondents can further be classified on the
basis of land ownership and on the basis of occupation. This would
throw more light on the subject and help the future researchers on the
subject.


The thesis consists of 7 chapters.

Chapter I – This chapter deals with meaning, concept and Definitions
of poverty, poverty line, vicious circle of poverty and scope of the
study. The importance and limitations of the study are also given.

Chapter II – This chapter entails the review of literature studies.

Chapter III – This chapter deals with research methodology employed.
The method of data collection, sample selected and statistical tools
used for analysis are given.

Chapter IV – This chapter gives a brief account of the Area Profile and
Socio – Economic conditions of small farmers.

Chapter V – This deals with the Social and Economic problems of the
small farmers in Srivaikuntam Taluk of Thoothukudi District – A
detailed and critical analysis.

Chapter VI – This deals with the major findings and conclusions of
the study.

Chapter VII – Here the researcher discusses the Current Poverty
Alleviation programmes and offers suggestions with reference to the
study area.
REFERENCES


