

**INCOME STATUS OF RUBBER SMALLHOLDERS IN THE
MONERAGALA DISTRICT: REPORTING FROM PARTICIPATORY
RURAL APPRAISALS DONE IN FOUR VILLAGES**

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ABSTRACT

An understanding on the income status of livelihoods in target areas is a basic necessity in any development project. This article is an attempt to compile the findings on participatory studies conducted with smallholder rubber farmers in the Moneragala district, which focused on finding the major socio-economic factor, the income status. This study employed the participatory rural appraisal (PRA) tool, wealth and well-being ranking which can be used to categorize farmer groups accompanied with indicators suggested by the participants. This article also reports income and expenditure patterns among different wealth categories of smallholders' in 4 selected rubber growing areas in the Moneragala district.

INTRODUCTION

Expanding cultivation of rubber into the intermediate zone is a positive strategy taken up by the government to increase the national rubber production. This strategy will also enhance the livelihood status of farmers through rubber production where rubber cultivation is profitable due to low rain interference and abundant labour supply. Although proposals are being discussed at national level, very little attention has been paid on identifying the existing conditions in the smallholder sector in these areas. Therefore, this case study was carried out in 4 selected areas in the Moneragala district to collect information on income status of smallholder farmers. The collected information may be of immense importance to identify any constraints to fulfill the objectives of this initiative of increasing rubber production because many new projects have not achieved their targets and have caused resource wastages in many ways. Identifying income and expenditure patterns among smallholder farmers provide useful guidance in project planning especially in areas in the Moneragala district where poverty levels are high.

It is a very difficult task to find out the income status of a community since people are reluctant to disclose accurate information on their income and living status. Further, in most of the villages, people are self-employed having multiple sources of income and different levels of supports from their family members. Hence, questionnaire based surveys across the whole community are time consuming and

have chances of missing important information on wealth and wellbeing. Therefore, it is ideal to use the PRA tool, wealth ranking where wealth groups are identified based on the local knowledge of the community. They use their own criteria to pile individuals, who are living in the community for a long time, into wealth groups considering not only the monetary value but also some socially established indicators of well-being. Hence, this tool provides a better judgment on the income status than that of an outsider inquiring about the income status, who has no previous interaction with the community. It is an important fact that categorizing an individual into a particular group is done with the agreement of all informants involved in this exercise. Moreover, everything is transparent since results are finally presented to the community and necessary amendments can be made with the agreement of all participants.

Methodology

This study was a part of the project, which was considered as an innovative initiative to address poverty by the Centre for Poverty Analysis (CEPA), conducted during May to December 2003, in 4 selected villages falling into the major rubber growing, Rubber Development Officer (RDO) ranges in the Moneragala District. The details of the study area are presented in the paper titled "smallholder rubber sector in the Moneragala District: potentials and constraints" appear in this issue. The number of participants involved in this exercise and the number of smallholders considered for the wealth ranking study in each village is given in Table 1.

Table 1. *No of smallholders considered in the study in each village*

RDO Range	Village	Number of Households
Moneragala	Tanwatta (70)	64**
Badalkumbura	Karawila (78)	110
Medagama	Polgahapitiya (80)	80
Bibile	Radaliyedda (72)	52**

** No. of participants in each village are given in parentheses.*

*** Since several members in a household participated in the study the No. of households is less than the number of participants*

Participatory approach

Wealth ranking exercise was done in each village in order to identify different income groups among rubber smallholders and also to recognize the community's views on indicators to differentiate between the wealth categories.

The participatory approach followed the listed sequence;

- a) Few groups of informants were formed. In forming groups, the gender balance was considered and the informants were given sufficient time to study the community and they were made aware of the method as well

Statistical methods

In wealth ranking, different groups give ranks on a subjective basis and there is no assurance of consistency between rankings between them. Therefore in this study spearman's rank correlation was used to compare consistency between two groups of informants. The Kendall's coefficient of concordance is employed to test the consistency between rankings (0 - no association to 1 - exact correspondence). All statistical analyses were carried out using Genstat 7th edition.

RESULTS AND DISCUSSION

Validation of rankings by different informant groups

Results from the statistical analysis are given in the Table 2. Kendall's coefficients of concordance for each village are high and statistically significant at 0.001 probability level. This revealed that different groups of informants in each village have ranked individuals in to wealth groups consistently. This has further verified by the results from the Spearman's rank correlations given in Table 2, where different informant groups within a village were compared individually.

Table 2. Results of the Kendall's coefficient concordance and Spearman's rank correlation

Village	Kendall's coefficient of concordance	Spearman's rank correlation			
		Group	1	2	3
Tanwatta	0.74 (p< 0.001) n=64	Group	1	2	3
		1	1	0.70	0.63
		2		1	0.57
		3			1
Karawila	0.80 (p< 0.001) n=110	Group	1	2	3
		1	1	0.69	0.66
		2		1	0.74
		3			1
Radaliyedda	0.91 (p< 0.001) n=52	Group	1	2	3
		1	1	0.84	0.88
		2		1	0.87
		3			1
Polgahapitiya	0.81 (p< 0.001) n=80	Group	1	2	3
		1	1	0.64	0.77
		2		1	0.73
		3			1

Wealth groups in different villages

Four categories (rich, middle level, poor and very poor) were identified by the participants in Tanwatta, Radaliyedda and Polgahapitiya while 3 wealth groups (rich, middle level and poor) were identified by the villagers in Karawila. The percentage of smallholders under each category in each village is depicted in Fig. 1.

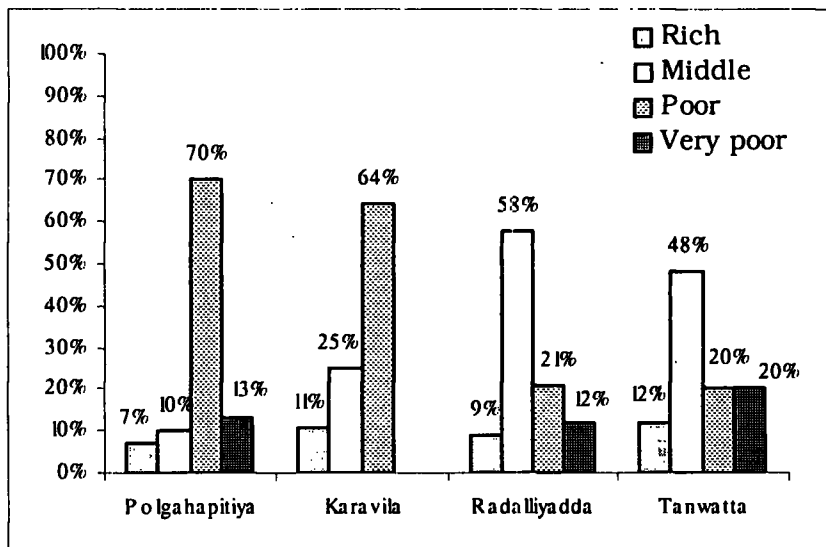


Fig. 1. Percentage under each category of wealth in each village

The indicators used by the participants to differentiate the wealth groups are given in the Table 3. It was evident from the findings that there were no distinct changes in indicators across the villages suggested by participants for different wealth groups. Therefore, a fair comparison between villages can be made. Accordingly, the wealth status of Karawila and Polgahapitiya is relatively low. These two villages belong to the Badalkumbura and Medagama DS divisions, which are relatively poor. This information is of immense importance in formulating appropriate policy measures, planning awareness programmes and introducing new technology to the rubber smallholders.

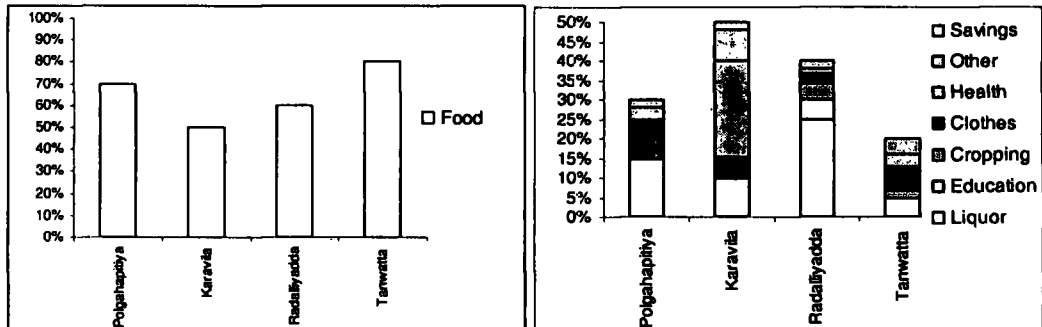
Table 3. Indicators suggested by the participants to differentiate the identified wealth groups

Wealth group	Village			
	Tanwatta	Karawila	Polgahapitiya	Radaliyeda
Rich	<ul style="list-style-type: none"> • Houses with facilities • With permanent income sources • With permanent employment • High income from lands • Owns vehicles 	<ul style="list-style-type: none"> • Houses with facilities • With permanent income sources and able to save • With permanent employment • High income from lands 	<ul style="list-style-type: none"> • Houses with facilities • With permanent income sources • With permanent employment • Owns lands • Having vehicles 	<ul style="list-style-type: none"> • Houses with facilities • Owns vehicles & tractors • With permanent employment • High income from lands
Middle level	<ul style="list-style-type: none"> • Have permanent houses • Have sufficient income for living • Income source is mainly their homestead • Do not save much 	<ul style="list-style-type: none"> • Have permanent houses • Have sufficient income for living • Owns land • Most of them are employed 	<ul style="list-style-type: none"> • Have permanent houses • Have sufficient income for living • Having an employment • Owns lands 	<ul style="list-style-type: none"> • Have permanent houses • Have sufficient income for living • Owns motor cycles & three-wheelers • Most of them are employed
Poor	<ul style="list-style-type: none"> • No permanent houses • Majority are daily paid labourers • No Permanent income • Depend on others for living 	<ul style="list-style-type: none"> • No permanent houses • Mostly daily paid laborers • No Permanent income • Depends on subsidies 	<ul style="list-style-type: none"> • No permanent houses • No employment, mostly daily paid laborers • No sufficient income • Own lands less than 2 ac. 	<ul style="list-style-type: none"> • No permanent houses • No sufficient income • Owns bicycles
Very poor	<ul style="list-style-type: none"> • No permanent houses • No income source at all • Some of them suffer from chronic illnesses • Depend on others for living 		<ul style="list-style-type: none"> • No permanent houses • No income source at all • Daily paid laborers • No proper aim in life 	<ul style="list-style-type: none"> • No permanent houses • No permanent income sources • Daily paid laborers • No sufficient food

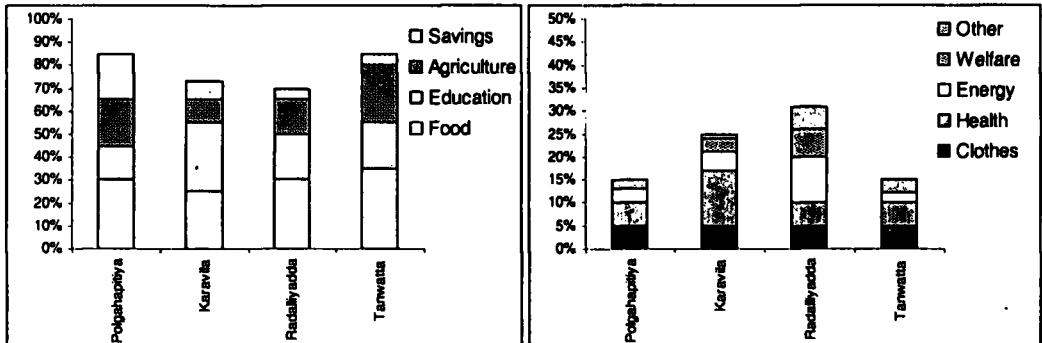
Livelihood profiles for expenditure patterns

The expenditure patterns of different wealth groups in selected villages are depicted in Fig. 2 (The common types of expenditure are indicated in graphs on the left hand side). The informants were unable to identify a distinct pattern of types of expenditure in very poor categories in Polgahapitiya, Radaliyadda and Tanwatta. According to participants in these 3 villages, people in this category spend more than 95% of their income on food, while some of them are unable to manage the cost of food even.

a. Low income category



b. Medium income category



c. High income category

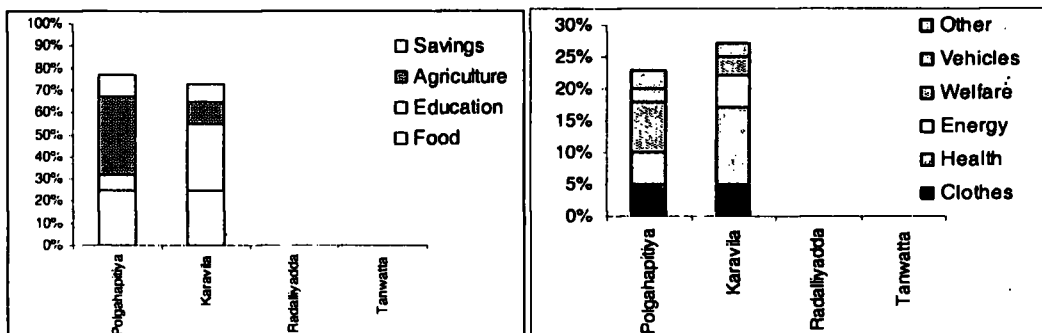


Fig. 2. Pattern of expenditure in different wealth groups in four selected sites

In the low income group, people spend more than 50% of their income on food. It was 80% in Tanwatta, where there is only 20% of smallholders categorized as poor. In Polgahapitiya, where the wealth status of people is relatively low (70% of smallholders), spend about 70% of the income on food. As a result the expenditure on clothes, children's education and health was low in the poor category in all villages. It was found that a little amount of savings by a few smallholders in Karawila. Popularizing savings at least a small amount by the smallholders would be a positive initiative to be taken up with empowering the poor under this project.

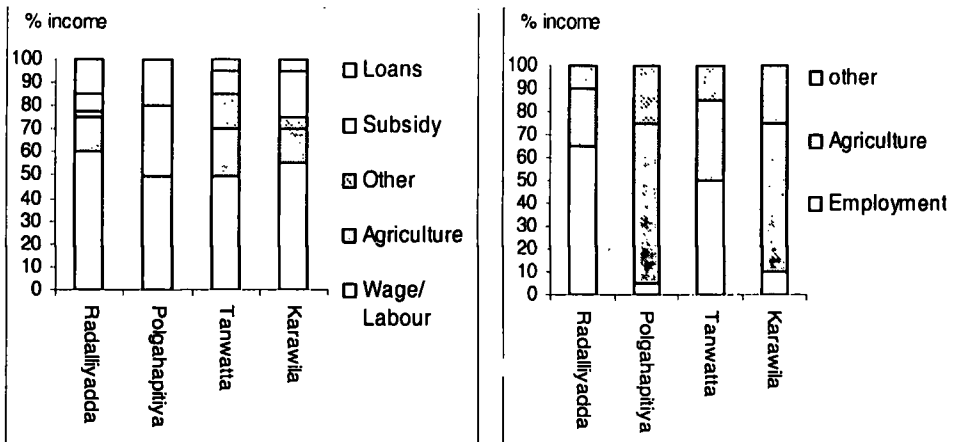
In this study, those who were categorized into medium wealth group spend more than 70% on food, children's education, investment on agriculture and savings. A certain amount is spent on children's education, which is important in scaling up of socio-economic status. This group is more interested in savings and agriculture, which may be considered as investments.

Although those who are in the rich group in Polgahapitiya and Karawila spend more than 70% of the income similar to medium wealth groups, the amount spent is obviously different. A similar pattern by types of expenditure in medium and high wealth groups were identified for Karawila. It was not possible to identify the pattern by types of expenditure in high-income group in Tanwatta and Polgahapitiya due to insufficient participation of smallholders representing high wealth group, but the participants who were present stated that the pattern in this group is similar to that of medium group although the income level is different.

Livelihood profiles for income patterns

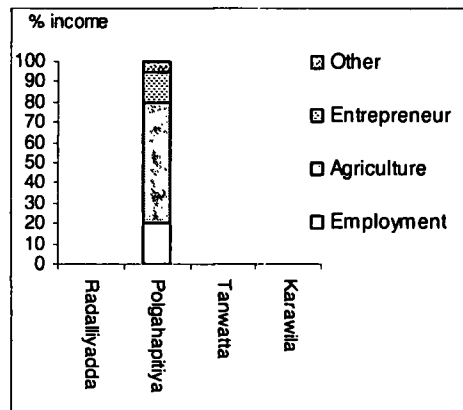
It is common that households may have multiple income sources on which, they hesitate to provide reliable information due to various reasons. However, due to the participatory nature, wealth ranking exercise coupled with livelihood profiles has a lower chance of getting erratic information on multiple income sources in the community compared to questionnaire based surveys. Income sources of rubber smallholders under different wealth status in four villages are depicted in Fig. 3. In the low wealth group, their income sources are very unstable and not even adequate to meet their expenses on basic needs. Their major income source is through wages on labour where the income varies with the demand over the year. Generally, smallholders in this category receive Government support such as *Samurdhi*.

It was found that households in the medium income category have comparatively stable income sources. Employment was the main income source of the majority in this category in Tanwatta and Radaliedda, which are in RDO ranges with relatively low poverty level. Further, these villages are close to urban areas and probably have employment opportunities. Those who are in Polgahapitiya and Karawila where, there is high poverty level receive more than 50% of the household income from agriculture. Rubber, coconut and sugarcane are the main income sources. Most of these lands are intercropped with banana, pineapple, *Alocasia spp.* and field crops such as chilies and brinjals.



a. Low income category

b. Medium income category



c. High income category

Fig. 3. Sources of income in different wealth groups in four selected sites

Income sources of households belong to high income group were identified only in Polgahapitiya while informants in Karawila were reluctant to provide necessary information. Informants were unable to provide actual income sources of high-income group in Radaliyadda and Tanwatta since there was lack of representation of the smallholders belongs to this group. However, they stated that most of them are employed in the Government sector or having well established enterprises. Further, they are owners of well maintained lands cultivated with plantation crops such as rubber, tea, sugarcane *etc.* In Polgahapitiya, most of them are engaged in agriculture related activities. They have large plots of lands (>5 acres) with properly maintained plantation crops such as rubber, coconut and sugarcane. Most of their lands are intercropped with banana or other economically important crops. Few of them are government servants or owners of boutiques.

Limitations of the study

The limitation of wealth ranking is that any fair comparison cannot be performed between two communities since indicators of wealth used by informants in each community are different. Further there may be some informants who tend to dominate other informants in the group during the exercise. However, this limitation was kept to a minimum by facilitation by making them realized upon the importance of the exercise.

CONCLUSION

According to the informants, wealth and well-being status of more than 50% of the rubber smallholders in selected areas is poor. This provides further evidences on the existing high poverty level in the Moneragala district. Although, land to man ratios in Bibile, Medagama, Moneragala and Badalkumbura are 1.4, 0.8, 0.8 and 0.7 ha/man respectively, most of the people in low income group own lands less than the specified figures, emphasizing inequality in distribution of resources among the poorest in the area. Further, their income sources are unstable and inadequate to meet their daily needs. Therefore, majority is resource poor and this will result in poorly maintained rubber lands leading to substandard growth conditions and low yields. Due to these conditions, resources supplied for rubber farming could be of wastage. Hence, it is necessary to streamline the activities and to introduce a sound monitoring system for efficient use of subsidies to minimize the risk of resource wastage.

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