

## Chapter - VII

### SUMMARY AND CONCLUSIONS

It is generally believed that poor are those who are unemployed or underemployed. Though chronic poverty and chronic unemployment are mutually exclusive categories, the relationship between poverty and underemployment has been a subject of debate among researchers. In the existing literature on this subject, there has been some attempt to distinguish between poverty on the one hand and unemployment on the other and also to establish links between poverty and unemployment. But much work is devoted to conceptual and measurement problems and that too more on aggregative levels.

While poverty by any standard is quite rampant, most estimates of unemployment yield extremely low figures. The prevalence of widespread poverty need not necessarily be associated with growing unemployment. It is possible to be employed but not continuously as in the case of agricultural labourers. There are those who remain idle, but rich. Thus there is no direct equation between poverty and unemployment. In other words, the bulk of the poor <sup>are</sup> not those who are unemployed, but those whose duration of employment and wages

are such as to keep them in poverty. This lack of association between poverty and unemployment is explained by the reasoning that the poor in India are too poor to remain unemployed. This view has been challenged and it has been claimed that there is a clear association between poverty and unemployment.

This debate has relied upon the empirical evidence largely obtained through aggregative analysis at national level with National Sample Survey data. Identification of factors accounting for poverty and unemployment and their inter-relationship cannot be fully realised in such studies based on highly aggregated data for different regions collected over a period of time. It is perhaps better to probe into association between poverty and unemployment especially in the institutional perspective of village economy. Such efforts have been made but they are few and do not cover the entire spectrum of Indian rural environment, and also such attempts largely have been partial, i.e., concentrating only on one of the three associates viz., poverty, unemployment and migration. Hence the present study was attempted to contribute to the understanding of factors underlying poverty, unemployment and migration and their interrelation at village level.

The drought prone region with low agricultural productivity, i.e., Ramanathapuram district of Tamil Nadu was chosen as locale for the study. Among the seventeen taluks of the

district, based on indicators of development, one backward taluk, Sivaganga was chosen. All the 129 villages of this taluk were sub-grouped into different size categories on the basis of population. Two medium sized villages in the population range of 500-1000 were selected for survey.

The data was collected in two rounds of survey. Information regarding consumption, employment and migration were collected with the other usual informations. As the survey was held in the months of May 1981 and February 1982, the reference period was taken as 1981-82.

In the first village the incidence of poverty is high, while the proportion of unemployment is moderate due to long distant urban migration. Poverty by consumption estimate in this village is high, whereas the quality of life in the village is much better in comparison to the other village. This may be due to their urban contacts through migration. In the second village, the incidence of poverty is relatively less. The absence of adequate basic facilities like assured protected drinking water, village common place, sanitation etc., result in poor quality of life in this village. This phenomenon of discrepancy between poverty incidence and quality of life reflects the limitations of consumption expenditure approach to poverty.

Different indices of poverty such as head-count ratio, income-gap ratio, Sen's measure, show that the second village

is better in consumption levels in comparison to the first village. The poverty line was estimated on the basis of nutritionally adequate diet at prevailing local retail prices. Coincidentally, the estimated poverty line was similar to the poverty line derived from the conventional norm of Rs.15 at 1960-1961 (per capita per month) and updating it by consumer price index for agricultural labourers for the state of Tamil Nadu.

The incidence of poverty is not only high in the first village, the intensity also is severe. Extremely poor (i.e., with a level of consumption much below the poverty line) were in larger number in the first village than in the second village. Moreover, as expected, the poor in the first village spend a higher proportion of their consumption expenditure on food rather than on non-food items. As the second village is relatively better off, the proportion of consumption expenditure spent on non-food is relatively higher. This relative better off condition of the second village is mainly due to the differences in distribution of land, its quality, irrigation potential and productivity.

Due to lower labour force participation ratio and higher dependency ratio, bigger families show higher poverty incidence. Less dominant caste groups in the villages do not face higher incidence of poverty. The household with higher educational

attainments are relatively better off by poverty norm. These households are also endowed with relatively bigger land holdings. Increase in size of the land holding reduces poverty incidence and enhances literacy ratio of the household. In the case of landless agricultural labourers and marginal farmers with very small holdings, the poverty incidence is more wide-spread and severe. Hence nature of occupation, control over productive assets and educational attainments are good indicators of levels of living, as they influence consumption considerably.

Among the different measures of unemployment, the criterion was used to measure employment. The usual (annual) status was preferred over the daily or weekly status. This took care of biases of seasonal variation in employment. The reasonable estimate of 273 days of 8 hours work was taken as a standard person year. The ratio of unemployed days over the total labour days in a person-year gave the estimate of unemployment proportion. In conformity with NSS practice, this estimation procedure was adopted and found that the incidence of unemployment was relatively smaller in the first village than the second village. The same trend was noticed by the adoption of alternative methods of measurement also. The percentage of unemployment by person days in labourforce by current activity (weekly status) and the number of persons unemployed in the week were also found to be less in the first village. In both the villages due to employers' preference of

more youthful workers, unemployed rates for children and old persons were high. Majority of the women workers were casual labourers and most of them were unpaid family farm helpers. Hence in these categories of women workers, casual labourers and unpaid family helpers, the incidence of unemployment was high. Labour force participation ratio and employment were significantly associated with the size of the land, and the number of persons in the family. Even families with larger land holdings but with greater number of persons in the family, faced higher incidence of unemployment. In the category of employers, due to sufficiently large size of their land holdings, their supply price was high and hence the incidence of unemployment for this category also was higher. The scheduled caste groups faced higher incidence of unemployment as most of them were wage paid agricultural labourers with negligible land holdings. Migration was not of any avail to them as it was undertaken for short duration seasonally. Incidence of unemployment for different levels of consumption expenditure did not indicate any association between them. Some of the households with higher consumption expenditure levels were also found with high incidence of unemployment.

It is not valid to presume that migrants from backward rural region would go over only to more prosperous urban areas. Migration in rural areas were mostly rural-rural and seasonal

for short duration. The impact of outside contact on the migrants provides the demonstration effect on general socio-economic aspects of life in the villages. The duration and destination of migration from villages were determined by the location and availability of infrastructural facilities in the village. Labourers with higher educational attainments preferred long distance urban migration. Distance did not deter migration. Migrants have gone even to neighbouring countries to earn their livelihood. The incidence of migration has an alleviating effect on the incidence of unemployment. In the first village, due to predominance of urban migration, incidence of unemployment was lesser. In the second village, as most of the migrants were seasonal agricultural labourers, the incidence of unemployment was not affected much. Presence of migrants in the family improves the labour force participation ratio. Big families were more migration prone. Adult male youth migration was predominant in the villages. In the case of seasonal migrants other members of the family also join for migration. Less dominant caste groups migrate more as most of them are wage paid agricultural labourers. The households with large sized land holdings do not prefer migration. The levels of consumption do not seem to be related with the incidence of migration.

Though the two surveyed villages belong to the same

agro-climatic region, they do not seem to show similarity in incidence of poverty, unemployment and migration. Within the villages, the incidence of poverty, unemployment and migration did not show any trend for different socio-economic groups. It implies that there does not seem to be any significant association between poverty, unemployment and migration. Though there is some relationship between unemployment and migration, the degree and extent of association is qualified by the type of migration prevalent. The caste hierarchy per se does not show any relationship between poverty, unemployment and migration. However, in the case of scheduled caste groups and less dominant communities, there is positive association between unemployment and migration. Migration is resorted to by these groups as an alternative to unemployment. Similarly educational attainment levels do not show a unique relationship between poverty, unemployment and migration. But in the case of persons with higher educational attainments, migration is relatively high and unemployment rate is less.

Economic class-wise distribution of households (based on primary occupation and the size of land holding) indicates that for the agricultural labourer households the association between poverty, unemployment and migration is significantly positive. The observed absence of association between consumption expenditure levels, unemployment and migration indicates that consumption is a function of variables other than unemployment and migration.



However, correlation coefficient matrices indicate that big families suffer most with low consumption levels (in other words poverty), larger incidence of unemployment and migration. The size of the land holding is positively correlated to the incidence of unemployment. Hence better off households report more unemployment. The households with large holdings of land have lesser number of migrants. Because the necessity of going out of the village for jobs does not arise in their case. The presence of female labourers in the household increased the proportion of the casual labourers in the labour force significantly. The labour force participation ratio, dependency ratio and literacy rates are significantly correlated. These observations are true of all households in all the categories, i.e., 'poor', 'non-poor' and 'all households'. Moreover, for the sets 'non-poor' and 'all households', the per capita consumption expenditure, unemployment and migration are significantly correlated. However such a relationship is not visible in the case of 'poor' households.

The multiple regression results show that there is no significant association between the consumption level, the number of days unemployed and the number of migrants in the household. This is true for all the sets, i.e., 'poor', 'non-poor' and 'all households'. However significant negative relationship was indicated between unemployment and migration for 'non-poor' and 'all households'. This strengthens the idea about

their mutual inter-dependency (substitutionality) between unemployment and migration.

The number of persons in the family, the size of the land holding and labourforce participation ratio are significant factors which affect consumption level, incidence of unemployment, and migration in the rural households. This phenomenon is true for all the three sets viz., 'poor', 'non-poor' and 'all households'.

Thus, it appears that there is no significant association between poverty, unemployment and migration. Unemployment is not the (only) cause of poverty. There are poor people, not because they are unemployed. They have worked for more number of days with less remunerative wages. Unemployment appears to be more due to inadequate availability of productive resources. Migration has alleviating effect on unemployment.