

CHAPTER 1

INTRODUCTION

Though the problem of poverty in the country is not a new phenomenon, it was not till the seventies that the economists and other social scientists undertook to study the problem on a large scale. Since then, there has been a growing response from the scholars to study further the problem of poverty in the country. These studies have not only attempted to ascertain the numbers of the poor and their variation over the years both in the country as a whole and in the different States, but have also provided recommendations of policies and programmes to eradicate poverty in the country. Though these studies did provide general guidelines for anti-poverty policies and programmes at a national level, yet it is felt that in a big country like ours, with diverse regional indentities and more complex cultural and ethnic varieties, these studies which are based on national and State level data, are of little help for specific anti-poverty policies and programmes at micro level. This is more true in the case of North-Eastern Hill Region of our country where more than 200 different tribes lived in relative isolation for a very long period of time, and as such, each tribe

has its own way of living and standard of life. These tribal societies "have by tradition control of and access to rich resources, but they are not well off. They are conscious of the fact that their level of living is not satisfactory, but it is difficult to say that they perceive themselves as poor. More frequently they perceive themselves as cordoned off from the benefits of their resources".¹ Further, the data on which these studies were based give little or no information at all on the problem of poverty in the hill region of North-East India. Again, the micro level studies in the region are very scanty and therefore, not much is known about the problem of poverty in the region. In fact there is very limited information on the characteristics of the people who live below the poverty line in the region. Hence, this study is attempted in a far remote village in the border areas of Khasi Hills - an area which is relatively more backward in the state of Meghalaya, and it is expected that the study will throw sufficient light on the problem of poverty in the area.

In this introductory chapter, we first give a rationale for selection of the villages in Section I, followed by setting out the objectives in Section II. In Section III we give the hypothesis. Sources of data and the sampling design are presented in Section IV and V respectively. Finally, scope and limitations of the study are given in Section VI.

I

Selection of the Villages

One of the most important demographic characteristics in the border areas of Khasi Hills at present is the presence of two major groups of inhabitants, viz., the Khasis who are the indigenous inhabitants and the non-Khasis who migrated from across the border and elsewhere. The Khasis, being the indigenous inhabitants, occupy and control all land property and other natural resources in the area. The non-Khasis, on the other hand, were considered as outsiders, and therefore, not entitled to the rights enjoyed by the Khasis. Customarily, they (non-Khasis) are not entitled to own land asset, which is the only important productive asset in the rural areas. Hence, they depend much on the mercy of the few well off land owners in the area. Most of them are employed as share-croppers and labourers of a few landed households. Again, the settlement pattern shows that the Khasis concentrated in the slopes or foot of the slopes, whereas the non-Khasis occupy the plain tract areas adjacent with the international border with Bangladesh. Therefore, socially and economically, these two groups of inhabitants differ from each other.

In order to have a good understanding on the problem of poverty among these two groups of inhabitants, a village known as Shella, which is itself a cluster of 21 census villages (or as we call them hamlets), is purposively selected. This is because, from whatever information we could get, it is the most representative as it adequately represent the two major groups of inhabitants in the area (see chapter 4). However, it may be mentioned that there are other reasons as well for which we may consider this cluster of villages or hamlets as the representative ones in the border areas of Khasi Hills. The reasons are:

- i. Historically, the villages in and around Shella were believed to be the most affluent villages in the border areas of Khasi Hills before the great earthquake of 1897. Their economy was destroyed by the earthquake and deteriorated further by the partition of the country in 1947.
- ii. The villages are located very close to the international border with Bangladesh.
- iii. Located as they are far away from the urban centres, the villages seem to be free from urban influences.
- iv. Taking the infrastructural facilities available in the border areas of Khasi Hills, these villages or hamlets may be considered neither developed nor backward.

- v. Lastly, like any other villages in the border areas, the villages selected for our study depend much on border trade with Bangladesh.

II

The Objectives

The main purpose of the present study is to explore the important issues related with the problem of poverty between the two major groups of inhabitants, viz., the Khasis and non-Khasis, in the border areas. Hence, its main objectives may be stated as follows :-

- i. to study the economic, social and demographic characteristic of the area under study;
- ii. to estimate the extent of poverty in the area and examine the association between poverty and other socio-economic characteristics; and,
- iii. to suggest policy directions suitable to local condition for amelioration of poverty.

III

The Hypothesis

The Second Five Year Plan states that "the pattern of development and the structure of socio-economic relations should be so planned that they result not only in appreciable increase in national income and employment but also in greater equality in income and wealth.....The benefits of economic development must accrue more and more to the relatively less privileged of society, and there should be a progressive reduction of the concentration of incomes, wealth and economic power".² To achieve this objective, several policies and programmes have been formulated and initiated in the country to uplift the economic position of the 'relatively less privileged'. However, it is observed that these policies and programmes have not succeeded in making a serious dent on the problem. The relatively economically backward and socially oppressed people, in both developed and backward regions seems to have

derived little or no gain at all from these policies and programmes. The ~~g~~bulk of the fruits of these programmes appear to have passed more to the already developed regions, and further, within such regions benefits accrued proportionately more to the already rich and powerful, whereas the less privileged of our society are still struggling for their survival. The border areas of Meghalaya, as we shall see in Chapter 4, is a relatively a backward area. The agricultural practice is primitive, and the basic amenities are still lacking. Further, the sectoral allocation of funds (by the government) on important sectors like agriculture and allied sectors seems to have received insufficient attention. Against this background, the following set of hypotheses have been formulated:

- i. A sizeable proportion of population in the border areas of Khasi is in poverty.
- ii. Between the two major groups of inhabitants in the area, poverty is more severe among the non-indigenous population (non-Khasis) who by customary rights were not entitled to own land which is the only important productive asset in the area.

IV

The Data

For economic, social and demographic characteristics of the area under study, data available from the Census Volumes, Government Publications, Field Investigations and other sources have been utilised.^{*} However, while analysing the various issues of poverty in the area, we have depended solely on primary data which were collected by canvassing the detailed Questionnaire to households selected at random. The information contained in the Questionnaire³ could be categorised as follows :-

- i. Demographic data: Details were recorded about the age and sex composition, literacy and educational level, religion and caste/tribe affiliation, and other related information of each member of household.
- ii. Occupation: Following the definition and concept of worker as adopted in the 1981 census, information was collected on the industrial distribution and activity status of each individual worker.
- iii. Employment: Included information on the number of days of employment of each individual member of household on self-employed occupation, wage occupation, etc.

* The source of the tables throughout the study, unless otherwise mentioned, is based on our field investigation data.

iv. Assets: Information was collected on the various assets owned by the household. of the various assets, land is the most important productive asset. Therefore, detailed information were collected on the amount of land owned, leased-in and leased-out by the household.

v. Income: Information was collected on the different cources of income derived by the household. These sources include income from self-employment in agricultural works and non-agricultural works, wage income from agricultural and non-agricultural works, rent, and other sources of income.

vi. Dietary composition and household expenditure: It included information on the quantity and value of each variety of cereals, pulses, milk and milk products, edible oils, sugar vegetables, fish, meat and other items of food consumption by the household during the reference period. Besides these items, it also included information regarding expenses on fuels, light, etc. incurred by the household during the reference period.

The above information was collected on a recall basis and the maximum period of recall was one year, except in the case of dietary composition of household where the recall period

was only one month. This is being done to minimise errors which are liable to arise because of the difficulty of the respondents to recall the quantities of different varieties of food-items as well as expenses incurred by the households during the recall period.

It is also to be mentioned that during the tabulation stage, some cases have been found where the answers to the queries in the scheduled could not be considered as reliable due to inconsistency. In such cases we have tried to capture correct and reliable information through verification and cross-checking from the village elders and headmen.

V

Sampling Design

In selecting the sample households, first the village hamlets were stratified into two groups, viz., Group-A Hamlets and Group-B Hamlets. The stratification is on the basis of demographic characteristics in the village, that is, in Group-A Hamlets we included all those hamlets which are inhabited by the Khasis and Group-B Hamlets included all those hamlets which are predominantly inhabited by the non-Khasis. In other words, Group-A Hamlets represent the indigenous population group, whereas Group-B Hamlets represent the non-indigenous population group. As such, each of these two groups

may be considered to be socially and economically homogeneous within their own right. Again, because of time and cost constraints, a two-stage sampling is adopted in selecting the sample households. That is, in the first stage, 50 per cent of the hamlets are randomly selected from each hamlet group, followed at the second stage by the selection of sample households from within the randomly selected hamlets. However, in selecting the sample households from the selected hamlets it is ensured that :-

- i. if the selected hamlet consists of less than 25 households, 100 per cent of the households will form the sample;
- ii. if the selected hamlet consists of more than 25 but less than 50 households, 50 percent of the households will be included in the sample;
- iii. if the selected hamlet consists of more than 50 but less than 100 households, 25 per cent of the households will be included in the sample; and,
- iv. if the selected hamlet is more than 100 households, then only 15 per cent of the households will be included in the sample.

Having determined the sample size from each selected hamlet by following the above criteria, the sample households are independently selected from each hamlet, by using simple random sampling method.⁴

Reference period and Time-frame for Field Investigation: The

reference period of this study is January, 1983 - December, 1983, which happens to be a normal year in the whole of the border areas. While choosing the time-frame for field investigation, we had taken into consideration the effects of fluctuation in employment opportunities, availability of local produce, and wages on the level of poverty in the area. Therefore, two rounds of field investigation were conducted. The first round was conducted during the month of June - August, 1983, which is relatively a slack season in the area, and the second round was conducted during the months of October - December, 1983, which is relatively a busy season in the area.

The main purpose of repeating the survey was to capture the seasonal variations in food-intake, if any resulting from the seasonal variations in employment, income and other variables in the area. Further, it was decided that the same households which formed our sample in the first round of survey would also form our sample during the second round. But it is regretted that out of the 187 households surveyed during the first round, 6 households could not be included in the second round due to unavoidable circumstances.

The number of sample households and population during the first and second rounds are given in table 1.1.

Table 1.1 : Sample Households and Population

Hamlet Group	<u>First Round of Survey</u>		<u>Second Round of Survey</u>	
	Household	Population	Household	Population
A	87	436	85	430
B	100	602	96	582
(A + B)	187	1038	181	1012

VI

The Scope and Limitations of the Study

Although the present study deals with the various issues of poverty in the area, its scope is subjected to two important limitations:

- i. Due to the non-availability of any other sources of information on the incidence of poverty in the area, the scope of the present study had to be confined only to the period covered by the field investigation period. That is, the study is confined to the period January - December, 1983.
- ii. The present study is, strictly speaking, confined to an area which is a cluster of several census villages. Therefore, too much generalisation could not be made from the study. Whatever conclusions are made, they are restricted to the study area only. However, since the villages selected are

considered as representative villages in the border area of Khasi Hills, it is postulated that the situation in group of villages can not be so radically different from other villages in the border areas. Therefore, the conclusions (or data) could be taken as trends prevailing elsewhere in the border areas of Khasi Hills.

APPENDIX TABLE TO

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**Table 1.A : The Selected Hamlets, Number of Existing Households
and the Sample Size from each Selected Hamlets.**

Hamlet group	Selected hamlets	Existing number of households	Sample size	Percentage of sample to total hhs.
1	2	3	4	5
A	1. Nongrum	13	13	100.00
	2. Mawryngkhong	46	23	50.00
	3. Jasir	36	18	50.00
	4. Duba	10	10	100.00
	5. Sohlap	90	23	25.56
Total	5 hamlets	195	87	44.62
B	1. Kalatek	140	21	15.00
	2. Umkhabaw	165	25	15.00
	3. Umtham	57	14	24.56
	4. Khahsyndha	47	24	51.06
	5. Khahmohi	32	16	50.00
Total	5 hamlets	441	100	22.68
(A + B)	10 hamlets	636	187	29.40

Note: Existing number of households is given as on the date of survey.

Notes and References

1. Roy Burman, B.K. (1984). "Towards Poverty Alleviation Programmes in Nagaland and Manipur" Mittal Publication, p.x.
2. India, Government of (1956), Second Five Year Plan, Planning Commission, New Delhi, p.22
3. The definitions and methodologies of computing household income, calorie intake of each households, etc. are given in relevant chapters.
4. Since the number of hamlets in the Shella Village and the number of house-holds in each hamlet is not of considerable size, the selection of hamlets and of households has been done by following the lottery method, rather than using random numbers.

CHAPTER 10

SUMMARY AND CONCLUSIONS

In the preceeding chapters our interest was focused on the different aspects of poverty in the two group of hamlets (or census villages) in the border areas of Khasi Hills in Meghalaya. In order to have an overall view of the study, the present chapter attempts to bring together the important themes emanating from our analysis and suggest necessary policy prescriptions for alleviating poverty in the area.

The Important Themes : Using the information on the dietary composition and expenditure of sample households collected from the two hamlet groups, we have examined (in chapter 8) the incidence and severity of poverty in the two hamlet groups during the slack (first round of survey) and the busy season (second round of survey). In estimating the incidence of poverty, both caloric and expenditure norms have been adopted. The important points that come forth from the analysis on the incidence of poverty are the following:

1. A very high proportion of population, particularly during the slack season, in both the hamlet groups live in poverty.

- ii. Comparing the magnitude and severity of poverty between the two hamlet groups, that is, group-A and group-B hamlets, poverty incidence is both higher and more severe in the latter group than in the former. The difference in poverty is more sharp during the slack season than during the busy season.
- iii. The impact of seasonality on poverty incidence is more seen when it is measured in terms of expenditure norm rather than caloric norm. This reflects that the changes in season have a stronger effect on the expenditure (or in-come) level than on the food intake level. Such a phenomenon could happen if households attach more importance on other necessities than food or lack of nutritional knowledge. Also rigidity in the consumption of traditional food items may result in poor calorie intake despite adequate expenditure level.

The relationship between poverty and other variables are examined by using Chi-square test and multiple correlation analysis. The variables selected for examining the association through the chi-square test are land possession of limestone quarries (group-A hamlets only), possession of livestock, number of dependants per working member in a household, family size, number of days employed

per worker in a household during the reference week, educational level (group-A hamlets only); and household occupation. In the multiple correlation analysis, the variables considered are per capita calories intake (as dependent variable), monthly per capita consumption expenditure, level of employment per working member in a household during a period of 30 days, the size of operational land holding per consumer unit, and family size - all as independent or explanation variables.

The chi-square test shows that in group-A hamlet poverty is significantly associated with possession of limestone quarries, family size, level of employment, educational level and household occupation, during both the rounds of survey. The association with land possession is found to be significant during the first round of survey only. In group B hamlets, the test shows that poverty is significantly associated with land possession, possession of livestock, number of dependants per working member in the household, level of employment and household occupation during both rounds of survey (see table 8.4).

The multiple correlation analysis shows that in group -A hamlets, monthly per capita consumption expenditure is the most important and reliable explanation variable of the variation in per capita calorie-intake of

the households in both the rounds of survey. Employment level has been found to be statistically significant during the first round of survey only. In group-B hamlets, on the other hand, monthly per capita consumption expenditure and the level of employment are the important explanatory variables in both the rounds of survey. Land holding is an important variable only during the second round of survey, which co-incide with the harvesting period in the area.

Having seen that per capita consumption expenditure is the most reliable and most important variable explaining calorie-intake, an attempt has therefore been made to find out its relationship with the level of employment, land holding and family size. The relationship between per capita consumption expenditure with land holding, and family size are found to be statistically significant in both the rounds of survey, while the relationship with employment level is significant during the second round of survey only. In other words, for determining the incidence of poverty, we find that of all the variables we have examined, the principal ones are land holding, family size and employment level per working member. In group-A hamlets, about 61 to 75 per cent of the variation in per capita consumption expenditure is explained by the above three variables, while in group-B hamlets they account for about 32 to 53 per cent (see table 8.7).

Having broadly identified the important variables affecting the economic condition of the people in both the hamlet groups in general, let us now see why poverty incidence is relatively higher in group-B than in group-A hamlets. An examination of various infrastructural facilities available in the village and of the pattern of distribution of important factors influencing poverty (Chapter 4 to 7) brings out a relatively superior position of households in group-A hamlets *viv-a-vis* group-B hamlets. This shows that the difference in poverty incidence between the two hamlet groups is also due to the inter-hamlet differences in the availability of infrastructural facilities and the pattern of the distribution of factors influencing poverty.

Table 10.1 summarises the position of group-A and group-B hamlets with respect to selected (important) factors influencing poverty. The table shows that with the exception of the possession of livestock, worker participation rates, and the level of employment which are a little higher in group-B than in group-A hamlets, the latter group of hamlets is in a better position than the former. For instance, group-A hamlets are

Table 10.1 : Summary of Selected Indicators.

Sl. Characteristics No.	Group A Hamlets	Group B Hamlets
<u>1. Availability of Amenities:</u>		
(i) Primary Schools	11	3
(ii) Middle Schools	1	-
(iii) P.O./B.P.O.	2	-
(iv) Commercial Bank	1	-
(v) Dispensary	1	-
(vi) Veterinary Service	1	-
(vii) Market	1	-
(viii) Number of Hamlets Electrified.	10	-
2. Percentage of Operating Households.	87.36	37.00
3. Average holding per opera- ting Household(in bighas)	14.33	18.68
4. Percentage of Households possessing Limestones Quarries.	20.69	-
5. Percentage of Households Possessing Livestocks.	17.24	21.00
6. Average Value of Livestock per possessing Household (Rs).	5833.33	5928.57
<u>7. Main Worker-Population Ratio</u>		
Males	59.71	60.00
Females	46.22	36.17
Persons	52.75	48.84

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Table I : Summary of Selected Indicators.

Sl. Characteristics No.	Group A Hamlets	Group B Hamlets
8. <u>Industrial Distribution of Workers:</u>		
Primary Sector	45.22	79.93
Secondary "	24.77	10.54
Tertiary "	30.01	9.52
9. <u>Class of Workers:</u>		
(i) Self-employed Workers	43.04	21.43
(ii) Wage-employed Workers	38.70	57.14
(iii) Unpaid helpers in Family farms	15.22	21.43
(iv) Salaried Workers	3.04	"
10. <u>Percentage of Households by types of Occupations:</u>		
(i) self-employed	74.71	44.00
(ii) Wage-employed	25.29	56.00
11. <u>Person-days employed Per Worker Per Worker in a Week:</u>		
<u>Slack Season:</u>		
Males	5.14	5.05
Females	3.62	3.55
Persons	4.45	4.53
<u>Busy Season:</u>		
Males	5.24	5.38
Females	4.21	3.49
Persons	4.78	4.74

.....Contd.....

Table I : Summary of Selected Indicators

Sl. Characteristics No.	Group A Hamlets	Group B Hamlets
12. <u>Percentage of Households where Average employee is less than 4 days in a Week.</u>		
(i) Slack Season	11.49	12.00
(ii) Busy Season	2.35	13.54
13. <u>selected Demographic Characteristics:</u>		
(i) Literacy	65.14	12.29
(ii) Average Family Size	5.06	6.06
(iii) Worker-Dependency Ratio	0.89	1.07
(iv) Females per 100 Males	106	88
14. <u>Average Household Income</u> (Rs.) <u>Annually (At Current Prices)</u>	7198.48	5663.50
15. <u>Per Capita Income (At Current</u> (Rs.) <u>Prices)</u>	1728.45	1159.13
16. <u>Per Capita Monthly Consumption</u> <u>Expenditure :</u>		
(i) Slack Season	150.05	111.50
(ii) Busy Season	177.63	153.47

Source : Field Investigation Data, 1983.

in a better position with respect of availability of important amenities — like schools, post office, banks, dispensary, veterinary facilities, market and electricity; possession of land, limestone quarries, structure of the working force, occupational structure, literacy and level of education, worker-dependency ratio, family size, household income as well as per capita monthly expenditure.

Further, we have seen in chapter 6 that households in group-A hamlets, on an average, have more diversified sources of income than their counterparts in group-B hamlets, who derived income from one or two sources only. This perhaps may be one of the reason that poverty incidence is relatively higher in the latter than in the former group of hamlets.

Policy Prescriptions: Against the findings given above, it may now be useful to suggest certain broad policy measures which may be undertaken to reduce, if not eradicate poverty in the border areas of the state. However, it is necessary to note that these measures indicate broad policy directions and do not present specific details:

1. If poverty is interpreted as lack of adequate diets, the multivariate analysis suggests the consumption expenditure (or income) is the most important determinant of poverty in both the hamlet groups. Therefore, the above relationship calls for measures and policies which aim at improving the expenditure (or income) level of all people in general and the poor in particular.
- ii. The expenditure or income level of the household is influenced by several factors. The most important one is household's access to productive asset. Of the various productive asset, land is the most important. However, land asset is not evenly distributed among the households. This is more true in case of group-B hamlets where more than 60 per cent of the households are not operating any land. But it is unfortunate that land redistribution is rather not possible in the area because, as pointed out earlier, of the constraint imposed by the institutional land system supported by the Indian Constitution. Therefore, the policy implications would be the provision of non-land assets to the

poor. At this stage, it may be mentioned that a proper implementation of the IRDP programme in the border villages would go a long way towards reducing poverty in the area, so that the poorest among the poor could be provided with income generating assets and access to credit and other inputs. One of the important non-land assets which play an important role in augmenting the household income seems to be livestock.

- iii. Given the impossibility of land redistribution and the limited scope for provision of adequate assets to the poor, the economic condition of the poor is primarily determined by the employment level and wages. The employment level in the area, as evinced from our study, is reasonably high. The worker among the poor households worked, on an average, for more than 4 days in a week (or more than 200 days in a year). This reflects that additional employment opportunities alone will not be able to make a serious dent on the problem of poverty in the area. The effect of additional employment opportuni-

ties on rural poverty will depend to a great extent on the level of wages. The agricultural wage in the area is rather low. This seems to be the main reason why most of the wage-employed households are in poverty. The most important step to be taken to enable the agricultural labourers to move above the poverty line is to ensure a reasonable level of need-based minimum wage along with guaranteed employment. But at the same time it should be noted that one reason for a low wage in the area appears to be due to low productivity of land, and not due to the weak bargaining power of the labour. Hence, to enable the farmers to pay a reasonable wage rate, it is required that the level of productivity of land and labour be increased. Without increased productivity, it will not be possible to ensure a reasonable wage rate to the labour. The level of productivity of labour should also be higher than the wage rate in view of the need to generate a surplus for economic growth.

- iv. Productivity of land and labour depend, among other things, on the level of diversification of agriculture. For building a diversified agricultural economy, effort should be directed towards an integrated development of crop production, livestock and poultry, fisheries and forestry and simultaneously improvement in all these fields.

- v. Apart from employment in land-based activities the potentialities of employment in non-agricultural activities has to be fully exploited in order to accomodate those who can not find work in the land based occupations. Taking into consideration the presence of large deposits of limestones, coal, forest resources and its nearness to Bangladesh, this area has a great potentiality for the development of small scale and cottage industries (or even medium scale industries), besides expansion of trade and commerce(both internal and border trade), and other activities in the tertiary sector. It may be noted that the Cement Research Institute of India has indentified Shella - Mawlong area in the border areas of Khasi Hills as the most appropriate places for the setting up of mini cement plant. ¹

Expansion of non-farm activities will not only raise the employment level and income of the people, but would also give a fillip to other activities including agriculture, through their forward and backward linkages, thus promoting a closer integration of agriculture and industry in the rural economy.

vi. Poverty and education is inversely correlated.

Education affects consumption levels by enhancing the earning capacity of the workers. Hence, it is suggested that expansion and improvement of school facilities in the area will go a long way towards reducing poverty in the area.

vii. Though some of the programmes to improve the levels of living of the people in general and the poor in particular -- such as distribution of essential commodities through the public distribution system, and several other programmes under the Minimum Needs Programme, Integrated Rural Development Programme, National Rural Employment Programme, Rural Landless Em-employment Gurantee Programme, etc., have all been in operation (see Appendix B) their haphazard implementation has reduced their effectiveness in ensuring a minimum level of living for the poorer section. Therefore, there is a need for strengthening and overhauling their administrative set-up, particularly in regard to delivery of benefits to the target groups.

Notes and References

1. Guhathakurta, S.N. (1983), † Poverty, Unemployment and Development Policy in North-Eastern Region: A case study with reference to ten villages in East and West Khasi Hills Districts of Meghalaya", mimeo, Department of Economics, NEHU, Shillong, p.5