

## An economic analysis of poverty levels in Coimbatore, India

T. PONNARASI\*, K. SITA DEVI AND M.P. SARAVANAN

Dept. of Agricultural Economics, Faculty of Agriculture, Annamalai University, CHIDAMBARAM (T.N.) INDIA

### ABSTRACT

India alone is said to be the home for about 34 per cent of the world's poor to which Tamil Nadu contributes 35.6 per cent. Poverty has been viewed and measured from different angles by different scientist. Even among the scientists, there exists difference of opinion in specifying a level of minimum income and calorie requirement as a cut off point for poverty line. The different approaches in measuring poverty provided wide variations in the estimation of poverty at a point of time. Further, the concept of poverty would vary widely between two environments. A case with poverty measure in an irrigated and dry region would eventually reveal that poverty profile is sensitive to some aspects of measurement. Hence, the very objective of the paper is to asses the levels of poverty among the rural households in varying irrigation environs. With the assumption that the levels of poverty among the rural households may vary between irrigated and dry tract, the respondents in the rural settings being categorized as agriculturists, agricultural labourers and other workers. The study was conducted in Anaimalai block of Pollachi taluk, which is irrigated area and Sulur block of Palladam taluk, which is dry tract. The results of the study revealed that poverty level studied by Head Count ratio is higher in dry tract than that in irrigated tract also poverty gap among the respondents in dry tract is high as compared to their counter parts in irrigated tract. The poverty gap ratio showing the extent of short fall of average in term of the poor from poverty line is higher in irrigated block than in the dry block, because of the higher wage rate in the latter. The poverty gap index (Pi) and the Sen index prove to be higher in dry tract than those in irrigated tract.

**Key words :** Poverty, Head count ratio, Poverty gap, Sen Index, Food basket and Calorie.

### INTRODUCTION

Poverty any where is said to be threat to prosperity everywhere. Poverty is one of the realities of human existence. In common parlance poverty is associated with scarcities, miseries, pains and sufferings. Upliftment of the poor has always fuelled reforms and movements. India alone is said to be the home for about 34 per cent of the world's poor to which Tamil Nadu contributes 35.6 per cent.

Poverty has been viewed and measured from different angles by different scientists. Even among the scientist, there exists difference of opinion in specifying a level of minimum income and calorie requirement as a cut off point for povertyline. The different approaches in measuring poverty provided wide variations in the estimation of poverty at a point of time. Further, the concept of poverty would vary widely between two environments. Through the use of indices and methods of measuring reduces the variation in poverty levels, the environmental disparities viz., differences in irrigation, among the rural poor persists on account of various factors. The studies conducted so far to estimate the level of poverty mainly concentrated an anyone of the main attributes such as income and its distribution, nutritional status, levels of employment, per capita expenditure etc., further, their estimates were mostly confined to micro

dimensions. Due to the variation in irrigation, income generating capacities, food habits and living conditions, macrolevel estimates would be inadequate to reflect the real situation at the micro level. Comparison of poverty, such as where or when poverty is greatest, typically matter more for policy choices than to aggregate measures of poverty, such as how many people are deemed poor. A case with poverty measure in an irrigated and dry region would eventually reveal that poverty profile is sensitive to some aspects of measurement. When the planners have shifted concept from centralized planning to grass root level planning, it becomes all the more necessary to have estimates at two differing irrigation environs at grass root level.

Tendulkar *et al.*, remarked that a sharp increase in the rural poverty was observed in 1991 and 1992, as against moderate fall in urban poverty. This was due to a fall in agricultural output, pronounced increase in prices and inadequate food grains availability in rural areas. Thus, they opined economic reforms were not directly responsible for increase in rural poverty (1995).

Ravillion and Gaurav observed that economic growth factors dominated the distribution factors in diminishing the incidence of rural and urban poverty in India. They further remarked that the growth in the agricultural sector seemed to exert significant diminutive impact on the

\* Author for correspondence.