

## Livelihood Analysis using Wealth Ranking Tool of PRA

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### ABSTRACT

*The present study was undertaken in Maroorpatti village in Namakkal district of Tamil Nadu. From the results of the livelihood analysis conducted for the three different categories of wealth ranking, it may be pointed out that with respect to the size of land holdings the rich farmer had double the size of the medium and as such large as 10 times that the poor farmer. The rich farmer had an incomparably large number of cattle with respect to his counterparts. While the rich farmer received monthly income from livestock, the medium farmer, who was thus classified solely by his agricultural land holdings, always expected his agricultural field to boost his monthly income. Furthermore, from the expenditure pattern observed, the rich farmers were inclined to save nearly 35% of their monthly income, while the poor farmers were always in need of 25% loan to meet their monthly needs. As a consequence, the crises analysis indicated that the poor farmer as well as the medium farmer usually takes a loan of 40% towards meeting any calamities faced in their agricultural and livestock sectors.*

**Key words :** Livelihood; Wealth ranking;

**P**RA techniques serve as important socio-economic indicators for rural development. Wealth ranking is a major PRA tool to measure rural poverty. The dimension of rural poverty in India is varied and is linked with unemployment, underemployment, low levels of productivity, severe demographic pressures and illiteracy. Wealth ranking refers to placing people on the different steps of the social ladder according to their own criteria. The purpose here is to find out the people of the village who belong to richest, middle income and poorest categories as perceived by the villagers themselves. Agricultural development must take in to account differences in wealth among farmers in order to determine priorities for research and to develop interventions and technical packages that are relevant to and adoptable by majority of the farmers (Barbara, 1988). Wealth ranking is based on the assumption that community members have a good sense of who among them is more or less well off (Theis and Grady, 1991). Studies conducted on micro watershed development by Nirmala et. al, 2004 by using wealth ranking revealed that more focus needs to be given for enhancing productivity of farms of the poor and very poor through more profitable and effective technologies followed by middle and rich beneficiaries which would eventually contribute to equity, an important criteria of attaining sustainability of micro watershed. The present study was undertaken with the following objectives.

1. To identify the wealth status of the people of Maroorpatti village
2. To study the various indicators used by the villagers for classifying their economic status

### METHODOLOGY

The present study was undertaken in Maroorpatti village in Namakkal district of Tamil Nadu. Maroorpatti village has a total geographical area of 650 acres with a population of 1350. The major occupation of this village is agriculture followed by poultry farming. The important crops of this village were tapioca, groundnut and sorghum and the livestock ownership mainly consists of poultry layers followed by cattle.

The study was conducted by a team of multidisciplinary scientists. The technique of wealth ranking involves the following steps:

- Step 1: The list of all households was obtained from the village Panchayat office. This was crosschecked by the facilitator by having a transect along with the key informants of the village to ensure that all households were given numbers in some form or other. The name of the head of each household was written against each house number.
- Step 2: Small pieces of paper were arranged. The number of each house and name of the household head was written in each piece of paper separately.

Step 3: The key informant who claims to know each and every house in every neighbourhood were asked separately to sort out the various pieces of paper into as many wealth categories as they think were present in the village.

Step 4: A table was prepared on a paper and the responses of the key informants were recorded.

W<sub>1</sub>-Wealth category

S.No (1)	Category (2)	Criteria (3)	Number of households (4)
1.	Rich	> 10 acres of land	
2.	Medium	2-5 acres of land	
3.	Poor	< 2 acres of land	

Step 5: Once the key informant has sorted out all pieces of paper containing house numbers and names of the heads of households, he was asked to list the wealth criteria for each wealth category and the differences between the categories.

Step 6: Each Key informant had full freedom to use as many number of categories as possible. Since different key informants would use different number of wealth categories, they had to be brought in to a uniform level for the purpose of comparison of scores given by different key informants from the various households. This was done by a simple correction factor using the formula given below. The wealth categories were to be given the scores as follows.

$$W.S. = \frac{n + 1 - C_i}{n} \times 100$$

Where,

W.S. = Wealth Score,

n = Number of categories used by the key informant

C<sub>i</sub> = i<sup>th</sup> wealth category in which a particular house number has been placed.

Step 7: Once the scores of all the key informants for all the households were calculated and recorded in the full paper, the scores of all the key informants for each household head were summed up and divided by the number of key informants who were involved in wealth categorization to get the average wealth score from that household.

$$A.W.S = \frac{\sum SiKI}{N}$$

Where,

A.W.S = Average wealth score

ΣSiKI = Score of KI-1=Score of KI-2=Score of KI-3 = Score of KI-4 for the i<sup>th</sup> household.

N = Number of key informants.

Step 8: The households were arranged according to the wealth categories.

$$A.N.O.W.C. = \frac{\sum CIKI}{N}$$

Where,

CIKI= Number of categories of the i<sup>th</sup> key informant

N = Number of key informants

A.N.O.W.C. = Average number of Wealth categories

Step 9: All the wealth categories should have equal interval of scores. This was done as follows.

Range (R)= Highest Household score– Lowest Household score

E.I.V = Equal Interval Value

$$E.I.V = \frac{R}{C}$$

Where,

R = Range,

C = Number of wealth categories.

Step 10: Wealth ranking table for the village for 3 wealth categories as follows

House no	Wealth score				Average Wealth Score	Wealth ranking
	KI-1	KI-2	KI-3	KI-4		
						Rich Medium Poor
Number of wealth categories						

Step 11: Graph for the wealth ranking was prepared.

## RESULTS AND DISCUSSION

Under this PRA technique, in order to assess the wealth status of 150 households, four key-Informants were identified and asked to independently classify all the households into any number of wealth categories, as they liked based on their own criteria of classification. Based on the classification made by the four KIS, the wealth score for each household was calculated using the formula :

$$\text{Wealthscore} = \frac{(n + 1 - C_i)}{n}$$

Where,

n = number of categories

C<sub>i</sub> = i<sup>th</sup> category into which the i<sup>th</sup> household is classified.

These Wealth scores and its averages were computed and placed on the following table.

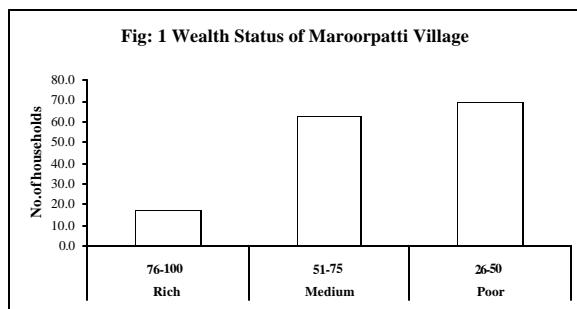
Table 1. Wealth Category based on wealth ranking

Category of Score	Interval	Number of households
I Rich	76-100	18
II Medium	51-75	63
III Poor	26-50	69

In the above category table, the entire average wealth scores were divided into three categories, because the average number of categories used by KIS for classification were three.

Table 2. Livelihood analysis

Characters	Rich	Medium	Poor
Size of Land holdings (acres)	10	5	1
Family size (no)	8	8	6
Livestock ownership (no)	50,000	50	10
Monthly Income (Rs.)	Agriculture	2,500	2500
	Livestock	1,00,000	500
	others	500	100
Monthly expenses (Rs.)	Agriculture	50,000	2000
	+ Livestock		
	Groceries	10,000	1000
	Miscellaneous	3,000	200
Crisis Analysis (Loantaking pattern) (Rs.)	Agriculture		20000
	+ Livestock		10000
	Functions	1,00,000	20000
	Drought Food	1,00,000	10000



The graphical representation of wealth ranking results are given in Figure 1. Out of the 150 households in the Maroorpatti, about 12% of houses were under the rich category (18 houses), 42% (63 houses) and 46% (69 houses) came under the medium and poor categories, respectively. In particular, 88% of the households were from the poor and medium categories. Hence, in order to ensure active participation of the villagers in adopting any new technology in agriculture, it should be economically feasible for the poor and medium categories.

*Livelihood Analysis* : Using the wealth ranking method, the entire Maroorpatti village households divided into three categories, viz., rich, medium and poor. The livelihood status of each of the three categories were assessed by selecting a representative house from each group.

### CONCLUSION

From the results of the livelihood analysis conducted for the three different categories of wealth ranking results, it may be pointed out that with respect to the size of land holdings the rich farmer had double the size of the medium and as such large as 10 times that the poor farmer. The rich farmer had an incomparably large number of cattle with respect to his counterparts. While the rich farmer received monthly income from livestock, the medium farmer, who was thus classified solely by his agricultural land holdings, always expected his agricultural field to boost his monthly income. Furthermore, from the expenditure pattern observed, the rich farmer were inclined to save nearly 35% of his monthly income, while the poor farmer was always in need of 25% loan to meet his monthly needs. As a consequence the crises analysis indicated that the poor farmer as well as the medium farmer usually takes a loan of 40% towards meeting any calamities faced in their agricultural and livestock sectors.

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