

**THE FACTORS CAUSES FOR POVERTY AMONG THE FARMERS
SPECIAL REFERENCE WITH AALAIJADIVEMPU DS DIVISION**



KANESAMOORTHY SAJITHA

REG NO: EU/IS/2013/COM/55

INDEX NO: COM 1705

A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfilment of the requirement for the Degree of Bachelor of Commerce Specialization in Business Economy



FCM2151



Project Report
Library - EUSL

DEPARTMENT OF COMMERCE

FACULTY OF COMMERCE AND MANAGEMENT

EASTERN UNIVERSITY SRI LANKA

2019

**PROCESSED
MAIN LIBRARY, EUSL**

ABSTRACT

Most of the world's poor people earn their living from agriculture and suffer from poverty. The main purpose of this study is to find the factors cause for the poverty among the farmers in Aalajadivempu DS division in Ampara district. To achieve the objective of this study poverty level of farmers and Demographical Factors, Financial Institutional factors, and Infrastructure and Supportive factors are taken as dependent variable and independent variables. Based on the literature, farmer's Experience, Land Size, Education, Loan Facilities, Government Subsidy, Marketing Facilities, and Irrigation are identified, which predict poverty level of farmers in Aalajadivempu DS division.

The research questions of this study were, what are the factors causes for the poverty among the farmers in Aalajadivempu DS division? Hence, whether demographical, financial and institutional and infrastructure and supportive factors causes for the poverty among the farmers in Aalajadivempu DS division. In order to answer the research questions systematically, the study applied the descriptive approach through using the stratified random sample of the population. 120 farmers were randomly selected from the 1026 farmers, and descriptive and multivariate, are used in order to analyse the data and find the results of study objectives. The finding of this study the education is mostly cause to reduce the poverty among the farmers. The credit /loan facilities cause to the poverty among the farmers in this area. The findings of this study most of the factors are to reduce the poverty among the famers in this area.

Keywords: Poverty, Demographical factors, financial and institutional factors, infrastructure and supportive factors, farmers

TABLE OF CONTENT

Chapter – 1	1
Introduction.....	1
1.1 Background of the Study.....	1
1.2 Problem Statement	5
1.3 Research Questions	6
1.4 Research Objectives	6
1.5 Significant of the Study.....	7
1.6 Scope of the Study	7
1.7 The Organization of Chapters	7
1.8 Chapter Summary	8
Literature Review.....	9
2.1 Introduction.....	9
2.1.1. Poverty	9
2.1.2 Paddy Production	11
2.2 Demographical factors	12
2.2.1 Experience.....	13
2.2.2 Education.....	13
2.2.3 Land Size.....	15
2.3 Financial Institutional Factors.....	16
2.3.1 Loan/Credit Facilities.....	16
2.3.2 Government subsidy	17
2.4 Infrastructure and support factors	18
2.4.1 Marketing facilities	18
2.4.2 Irrigation.....	19
2.5 Chapter Summary	20
3.1 Introduction.....	21

3.2. Conceptualization.....	21
3.2.1 Conceptual Frame Work	22
3.2.2 Demographical Factors	22
3.2.2.1 Experience.....	23
3.2.2.2 Education of Farmers	23
3.2.2.3 Land Size.....	23
3.2.3 Financial and Institutional Factors	23
3.2.3.1 Loan/Credit Facilities.....	24
3.2.3.2 Government Subsidy	24
3.2.4 Infrastructure and Supportive Factors	24
3.2.4.1 Marketing Facilities	25
3.2.4.2 Irrigation.....	25
3.3 Operationalization.....	25
3.3.1 Summary of Operationalization	26
Table 3.1: Summary of Operationalization.....	26
3.4 Chapter Summary	27
Chapter – 4	28
RESEARCH METHODOLOGY.....	28
4.1 Introduction.....	28
4.2 Research Approach	28
4.3 Research Design.....	29
4.3.1 Time Horizon	29
4.3.2 Unit of Analysis	29
4.4 Sampling Method and Sample Size	29
4.4.1 Sampling Distribution	30
Table 4.1 Sampling Framework	31
4.5 Method of Data Collection.....	31

4.5.1 Method of Measuring Characteristic of Farmers	31
Table 4.2 The Dimensions and Attributes of Characteristics of Farmers in.....	32
Aaliajdivempu DS Division	32
4.5.2 Method of Measuring the Demographical factors	33
Table 4.3.The Dimensions and Attributes of Demographical factors.....	33
4.5.3 Method of measuring the Financial and institutional factors.....	34
Table 4.4.The Dimensions and Attributes of financial and insttutional factors.....	34
4.5.4 Method of Measuring the Infrastructure and Supportive Factors	35
Table 4.5 The Dimensions and Attributes of Infrastructure and Supportive Factor	35
4.6 Research Instrument.....	36
Table 4.6: Scale of Measurement.....	36
4.7 Data Analysis and Presentation.....	37
4.7.1 Reliability and Validity Analysis	37
Table 4.7: Decision Attributes for Reliability Analysis.....	37
4.7.2 Univariate Analysis	38
Table 4.8: Decision Role for Univariate Analysis	38
4.7.3 Multivariate Analysis	38
4.7.4 Testing Hypothesis.....	38
4. 8 Chapter Summary	39
5.1 Introduction	40
5.2 Analysis of Reliability	40
Table 5.1 Reliability Analysis for Overall Variables.....	40
Table 5.2 Reliability Analysis for Overall Dimensions.....	41
5.3 Data Presentation and Analysis of Respondents Profile.....	41
5.3.1 Distribution of Respondents' Places	42
Table 5.3 Distribution of Respondents' Places	42
5.3.2 Distribution of Age	43

Table 5.4 Distribution of Age of Respondents	43
5.3.3 Distribution of Level of Education	43
Table 5.5 Distribution of Education of Respondents	43
5.3.4 Distribution of Family Members.....	44
Table 5.6 Distribution of Family Members of Respondents	44
5.3.5 Distribution of Paddy Cultivation Experience	44
Table 5.7 Distribution of Cultivation Experience of Respondents	44
5.3.6 Distribution of Engage in Cultivation.....	45
Table 5.8 Distribution of Engage in Cultivation of Respondents	45
5.3.7 Distribution of monthly income.....	45
Table 5.9: Distribution of monthly income of Respondents	45
5.3.8 Distribution of Marital Status of the Farmers	46
Table 5.10 Distribution of Marital Status of Respondents.....	46
5.4 Data Presentation and Analysis of Research Objectives	46
5.4.1 Overall Mean Value for Demographical Factors Cause for the Poverty among the Farmers in Aalajadivempu DS Division	47
Table 5.11: Overall Mean Value for Demographical Factors.....	47
Table 5.12: Mean and Standard Deviation for Experience	47
Table 5.13: Mean and Standard Deviation for Education.....	48
Table 5.14: Mean and Standard Deviation for Land Size.....	48
5.4.2 Overall Mean Value for Financial and Institutional Factors Cause for the Poverty among the Farmers in Aalajadivempu DS Division.....	49
Table 5.15: Overall Mean Value for Financial and Institutional Factors	49
Table 5.16: Mean and Standard Deviation for Loan/Credit Facilities	49
Table 5.17: Mean and Standard Deviation for Government Subsidy	50
5.4.3 Overall Mean Value for Infrastructure and Supportive Factors Cause for the poverty among the farmers in Alajadivempu DS division	50

Table 5.18: Overall Mean Value for Infrastructure and Supportive Factors	50
Table 5.19: Mean and Standard Deviation for Marketing Facilities.....	51
Table 5.20: Mean and Standard Deviation for Irrigation Facilities	51
5.4.4 Overall Mean Value of the Poverty among the Farmers in Aalajadivempu DS Division.....	52
Table 5.21: Overall Mean Value for Poverty among the Farmers	52
Table 5.22: Mean and Standard Deviation of Poverty	52
5.4.5 Multiple Linear Regression Analysis for Factors Causes for Poverty among the Farmers in Aalajadivempu DS Division.	53
Table 5.23 Model Summary of Multiple Linear Regression for Factors Causes for Poverty among the Farmers.	53
Table 5.24: Coefficient of Multiple Linear Regression between Factors Cause for Poverty among the Farmer’s in Aalajadivempu DS Division.	54
5.5 Chapter Summary	58
Chapter – 6	59
6.1 Introduction	59
6.2 Conclusions	59
6.2.1 Conclusion of Objective One.....	60
6.2.2 Conclusion of Objective Two	60
6.3 Recommendation and Implication of the Study.....	61
6.4 Limitations of the Study.....	62
6.5 Direction for Future Research.....	62
 LIST OF REFERENCES	 64
APPENDIX 1 - ENGLISH QUESTIONNAIRE	71
APPENDIX 2 - TAMIL QUESTIONNAIRE.....	75