

Socio-Economic determinants of Rural Poverty: An Empirical Inquest into select regions of Paschim Midnapore in West Bengal

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Abstract

A whopping proportion of world poverty is found in rural areas and in this light, India is perched as one of the largest country in the world which consists of a mammoth population of rural poor. India, over the years has faced a stiff conundrum of dealing with rural poverty which is very much reflected on the socio-economic lives of such people and hence in this context, it becomes pivotal to explore the various socio-economic determinants of the poor people living in rural areas. The aim of the current research study is to probe into such socio-economic determinants. For this purpose, a survey has been conducted on 423 respondents who primarily fall below the low income groups living in various rural areas of Kharagpur, Balichak, Keshpur and Narayangarh. The data collected has been meticulously analyzed to arrive at the results. It has been found that a large number of people belonged to OBC, SC and ST categories. Besides, some of the major socio-economic determinants of rural poverty explored are unemployment, low income, diminutive savings, poor conditions at workplace, lack of proper housing infrastructure, hunger and starvation, lack of access to education, high illiteracy rate and poor quality natural resources like land and water.

Keywords: Rural Poor; Social Factors; Economic Factors; West Bengal.

JEL Classification: E24, I15, I31, I32, J81, R11

Prefatory Observations

Poverty is one the most grueling global issue which is escalating with each passing day at an alarming pace. As per the 17 "Sustainable Development Goals" (SDGs), formulated by the "United Nations" (UN), the agenda of "No Poverty" happens to be a dipstick agenda garnering prodigious attention. In South Asian countries, like India, Pakistan and Bangladesh, the malaise of poverty still remains an unsolved issue, which puts the UN's SDG of "No Poverty" into an abyss. Managing poverty has been a stiff challenge, let alone heading towards totally eliminating it. In a developing country like India, reduction in poverty is one of the most crux objective of the economic development programs. It is noteworthy to mention that the definition of poverty has first been stated by India as it defined poverty as "the total per capita expenditure of the lowest expenditure class, which is required to ascertain a minimum intake of 2400 kcal/day in rural and 2100 kcal/day in urban areas." The same can be converted into the context of financial terms, where poverty line could be defined as "a minimum level of income or expenditure" and it is frequently updated. According to the Tendulkar Committee Report, "1/3rd of Indians live below the poverty line." Such a calculation for poverty was done on the basis of goods and services rather than intake of calories. The Planning Commission of India after agreeing with the report accepted it which further states that "close to 40% of the people in India live below the poverty line." A whopping proportion of such people actually live in the rural areas of India, where poverty has been a long standing issue. In this context, it becomes

extremely vital to delve into the state of West Bengal in India, largely because of its inconsistency over the years in dealing with poverty which makes it an intriguing area of conducting a research study. West Bengal is perched as one of the most populous state in India with more than 91 million population, “a fifth of who are poor.” The year 2005 brought a bit of solace for the culturally rich state as poverty reduction was faster, still a high rate of poverty prevails within the state. Services has been a potential weapon to drive the state’s economic growth but after 2005, the nifty driving force has stunningly weakened. This has resulted West Bengal grow at a slower pace in juxtaposition to the other states of India. The rural areas of West Bengal has been a strong case in point. Hence, it can be safely asserted that the prevalence of rural poverty is far greater than the urban areas. The consumption inequality, which has also witnessed a marginal increase after 2005, has also been in close proximity with the national average. Truth to be told, poverty cannot only be determined by the income levels of the people but also by various other social determinants. The present study is endeavoured towards probing into such socio-economic factors of rural poverty in the state of West Bengal. The district of Paschim Midnapore has been selected because of its large population along with its humongous acres of lands which mainly falls under rural areas, where a significant chunk of people are mired in poverty.

Review of Background Literature

An intricate analysis of existent literature would actually reveal that there are no research studies which actually discuss about socio-economic factors in the district of Paschim Midnapore. In fact, emphasis on the aforementioned issue has not been laid in any minute areas of West Bengal. Thus, there lies a herculean challenge on the path of the researchers to conduct a dipstick study.

The various socio-economic indicators throw a light on the poverty scenario and help to gain valuable insights. Such indicators provide data on various demographics, helping to identify a link between socio-economic determinants and accomplishment of health goals. Gang et al. (2007), opines that “the existence of poverty in Scheduled Caste (SC) and Scheduled Tribe (ST) households” is greater than the “non-scheduled households”. According to their study there has been a non-linear relationship discovered betwixt “age and poverty” across all the three “social groups”. It was also found that poverty increased with the size of the family. Education is said to be a significant factor influencing poverty, as deprivation of education would itself mean poverty (Tilak, 2002). Literacy rate was observed to emerge as a key component of poverty among the rural people. An important finding of the study was that significant proportion of the rural people falling under SC and ST were labourers.

Deshingkar (2010), on the basis of the findings in Madhya Pradesh and Andhra Pradesh asserted that the rate of migration was higher among poor groups residing in rural areas. Migration is said to have a cascading impact as it increases the risk of injury and exposes individuals to various diseases as well. As per the tenancy reforms in West Bengal, 2.5 million “landless and land poor households” have been apportioned huge lands (Bandyopadhyay, 2003; Dasgupta, 2004). Fasoranti (2010) “examined the impact of “micro-credit scheme” on alleviation of poverty among rural people.” The study revealed that poverty was common with the “economically active” age bar and close to 40% 39.2% of the respondents were unemployed before the scheme came into force. The scheme however had a positive influence on major “economic variables” like patterns of income, savings and expenditure.

Albeit, electricity being available in the district, the supply of electricity does not meet the demands of the people living there. Power outages are a gruelling experience in the summer and monsoon season. The precious resource of water is scarce as most of water is actually generated from Kasai river. This has resulted in over-exploitation of the river body and is fast shrinking. The municipal tap water is available only for twice a day and is of questionable quality. This is contradicting to the urban areas where clean water is available. The disposal of sewage is also a major concern as most of the regions do not have appropriate plumbing facilities and are heavily reliant on refuse-collectors to haul out wastes. Most of the drainage facilities are faulty and uncovered, leading to proliferation of diseases and a source of mosquitoes, flies and other insects (Wikipedia, 2021).

Research Objective

To prune out the most significant socio-economic factors of rural poverty.

Data and Methodology

For the purpose of secondary data collection, a host of e-resources like articles, blogs, posts, e-newspapers, etc. has been used. The primary data collection is a crucial methodology of the present research endeavour which has been met by the use of a structured questionnaire. The questionnaire is a short one. Direct face to face interviews were held with all the respondents and after appropriate responses the questionnaire was filled up. There are a total of 4 regions which have been selected as sample area viz, Kharagpur, Balichak, Keshpur and Narayangarh, all falling under the district of Paschim Midnapore. A total of 423 respondents have been surveyed. The responses collected has been measured by a 5 Point Likert Scale. The data has been processed by using IBMs SPSS version 23.

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Analysis and Presentation of Data

- *Demographic Profiling*

The below captured table is a representation of the various demographic variables of the respondents. The table shows the various categories of demographic factors like gender, age, occupation and monthly income. It is evident from the table that most of the respondents are male. A significant proportion of the respondents are unemployed while others are engaged in other occupations like agriculture and industrial labour. It is also observed that most of the respondents have an income level which is lesser than Rs.10000 thousand.

Table 1: Demographic Statistics

Demographic Construct	Classification	Population Statistics	Percentage
Gender	Male	306	0.72
	Female	117	0.28
	TOTAL	423	1.00
Age	Below 18	59	0.14
	18-24	78	0.18
	25-34	86	0.20
	35-44	92	0.22
	45-54	63	0.15
	Above 55	45	0.11
	TOTAL	423	1.00
Current Occupation	Student	43	0.10
	Service	07	0.02
	Business	14	0.03
	Unemployed	204	0.48
	Others	155	0.37
	TOTAL	423	1.00
Monthly Income	<10000K	343	0.81
	10.1K-25K	72	0.17
	25.1K-50K	08	0.02
	50.1K-1L	0	0.00
	>1L	0	0.00
	TOTAL	423	1.00

“KMO and Bartlett’s Test of Sphericity” has been run to “check for the adequacy of the sample size and the importance of conducting the research.” The test would also explain whether it is worthwhile to conduct a Factor Analysis.

Table 2: KMO Bartlett’s Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.756
Bartlett's Test of Sphericity	Approx. Chi-Square	812.144
	df	9
	Sig.	.000

The “KMO and Bartlett’s Test of Sphericity” confirms that the research could be headed by conducting “Factor Analysis”. The “initial values” are expected to be greater than 0.6. In this case, it is 0.756 (>0.6). The significance value is (p=0.000) which is lesser than 0.5. It is proof of the fact that Factor 1 and Factor 2 accounts for 54.09% of the “total variance explained”. “Principal Component Analysis” helps in the extraction of variables according to the condition that “Eigen values should be greater than 1”. The two factors possess a robust extent of interdependence and is observed to decrease.

Table 3: Factor Analysis Test (Total Variance Explained)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	4.101	42.690	42.690	4.101	42.690	42.690
2	1.113	11.400	54.090	1.113	11.400	54.090
3	0.874	9.115	63.205			
4	0.755	8.226	71.431			
5	0.649	7.508	78.939			
6	0.564	6.728	85.667			
7	0.437	5.814	91.481			
8	0.321	4.707	96.188			
9	0.186	3.812	100.00			

Extraction Method: Principal Component Analysis

Below is the Rotated Component Matrix, according to which the variables will get accommodated in the factor loadings, thus providing us with the final results.

Table 4: Principal Component Analysis

	Component	
	1	2
F1	0.749	0.872
F2	0.742	0.816
F3	0.538	0.612
F4	0.595	0.490
F5	0.485	0.372
F6	-0.004	0.321
F7	0.265	0.175
F8	0.429	0.130
F9	0.382	0.124

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization^a

a. Rotation converged in 3 iterations.

The nine variables obtained are segregated into two factors. We can rename Component I as Social Factors and Component II as Economic Factors.

Table 5: Arrangement of Components

Component I (Social Determinants)	Component II (Economic Determinants)
Hunger and Starvation	Unemployment
Poor Housing Infrastructure	Low income
Poor Quality Land and Water	Diminutive savings
High Illiteracy Rate	
Poor Working Conditions	
Lack of Access to Education	

Research Findings and Deliberations

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The current research study is a novel attempt in exploring the various determinants of socio-economic poverty among rural people. Granted that, some research papers do exist in the present domain, nevertheless, a more close examination and analysis of the key components of socio-economic rural poverty has never been addressed before. As per the results of the present research study, there are a total of 9 variables which have been identified which are said to influence the cause of socio-economic poverty among rural people. Such 9 antecedents are unemployment, low income, diminutive savings, poor conditions at workplace, lack of proper housing infrastructure, hunger and starvation, lack of access to education, high illiteracy rate and poor quality natural resources like land and water. Undoubtedly, unemployment is the biggest cause of a nose-diving economic status of any individual. Along with unemployment, comes the biggest issue of low income and miniscule savings which are said to have an inexorable cascading impact on the rural people. Apart from economic predictors, there are some social indicators that are also said to have an effect on the lives of the rural people. Since, people in the rural areas have to bear the burden of unemployment, it comes at a heavy price of hunger and starvation which even results in deaths. Besides, lack of access to education would mean that there would be a high illiteracy rate prevailing which are again sounds like a death-knell for rural people. Rural people also have to bear the ignominy of extremely poor housing facilities and poor quality land and water in comparison to the urban people who enjoy both. Since, many rural people are uneducated and unskilled, they are forced to work in farmlands and factories which are not conducive to work.

Conclusive Statements

Managing poverty has become a major issue, especially during these times of a menacing pandemic. Managing rural poverty remains a major challenge for the states as well as central government. Truth to be told, the SDG of “No Poverty and Zero Hunger” is only a dream which cannot be completely fulfilled. It implies that hunger and poverty cannot be eliminated to the fullest but it can certainly be reduced. The local bodies and organizations together with the state government and with the support of the central government needs to take necessary steps to reduce such arduous factors which takes a toll on the social and economic well-being of the rural people.

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