

PLURIACTIVITY AND SOCIO-ECONOMIC SUCCESS OF RURAL HOUSEHOLDS

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The past few decades have seen a transformation in Sri Lanka from a traditional agricultural based rural economy to a more diversified economy trying to move away from total dependence on agriculture. This ultimately results in households engaging in more than one income generation activity, which is called pluriactivity. The basic research question upon which this paper is based is "whether all pluriactive households are better off?" Therefore, the objective of this research is to investigate differences between better off and worse off pluriactive households in terms of types of income generation activities carried out by them and this will be discussed in line with entrepreneurial theories.

Multiple embedded case study approach was adopted as it facilitates exploring meanings attached to particular behaviors as perceived by the rural households. According to the information provided by key informants, the population was initially stratified as better off and worse off households and a sample of 72 was selected purposively to represent the behaviour patterns of the population. Multiple data collection techniques were used to increase the validity and the reliability of the research. Qualitative data analysis (within case analysis and cross case analysis) was supplemented by quantifiable evidences through descriptive analysis.

The behaviour of households was shaped by the limited resource environment in which they operate and thus everybody was pluriactive in order to overcome resource limitations which result in unprofitability and uncertainty in crop cultivation. In the population only 27.7 percent of them were better off even though everybody was pluriactive. Better-off households were different from worse-off households in terms of types of income generation activities carried out and dependency on crop cultivation as a source of income. Better off households involved in diverse income generation activities such as masonry work (10% of better off households), boutique keeping (10% of better off households), quarry operation (3% of better off households), carpentry work (20% of better off households), private and government sector permanent jobs (68 % of better off households) in addition to crop cultivation. In contrast 73.4% of worse off households were involved in selling wage labour and working as tenants in the fields of better off households in addition to crop cultivation. Even though 26.6 % of worse off households were receiving a monthly income enabling a high consumption level which was 2.3 times of the average consumption level of the site, it had restricted them in being better off. Worse-off households had not utilized their own resources such as labour, efficiently and effectively. In contrast, better-off households had utilized resources, which were not under their control, through pluriactivity, social network and creativity by exhibiting entrepreneurial qualities. The research further illustrates that 32.2 percent of better off households who were operating their own businesses had provided employment opportunities to 73.4 percent of worse off households and thus contributed to economic wealth and rural development. The research highlighted the importance of shifting the policy focus from improving farm income to improving household income by being sensitive to heterogeneity observed among rural households.